

**TRANSPORT SECTOR  
(CRITICAL FIRMS) ACT 2024**

**No. 20 of 2024.**

An Act to amend the Bus Services Industry Act 2015, the Civil Aviation Authority of Singapore Act 2009, the Maritime and Port Authority of Singapore Act 1996 and the Rapid Transit Systems Act 1995.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

**Short title and commencement**

1. This Act is the Transport Sector (Critical Firms) Act 2024 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

**PART 1****AMENDMENT OF BUS SERVICES INDUSTRY ACT 2015****Amendment of long title**

2. In the Bus Services Industry Act 2015 (called in this Part the BSI Act), in the long title, after “in Singapore”, insert “, and to control entities providing essential transport services and their equity interest holders”.

**Amendment of section 2**

3. In the BSI Act, in section 2 —

(a) delete “, unless the context otherwise requires”;

(b) after the definition of “bus stopping point”, insert —

““business trust” and “trustee-manager” have the meanings given by section 2 of the Business Trusts Act 2004;”;

(c) after the definition of “company”, insert —

““corporation” has the meaning given by section 4(1) of the Companies Act 1967;”;

(d) after the definition of “courtesy bus service”, insert —

““designated entity” means a designated equity interest holder or a designated operating entity;

“designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 28E;

“designated operating entity” means an entity that has been designated as a designated operating entity under section 28E;” and

(e) after the definition of “director”, insert —

““effective designation date”, in relation to a designated entity, means the date specified under section 28E(3) as the date on which the designation of that entity as a designated operating entity or designated equity interest holder (as the case may be) takes effect;

“entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;

“essential transport service” means —

(a) the service of operating any bus depot or bus interchange;

(b) any bus service specified or described in the Schedule; or

(c) any service specified or described in the Schedule which is necessary —

(i) for the continuity of; or

(ii) for supporting,

the provision of any bus service mentioned in paragraph (b) or the operation of any bus depot or bus interchange;”.

### **Amendment of section 3**

4. In the BSI Act, in section 3, after paragraph (a), insert —

“(aa) to control entities providing essential transport services and their equity interest holders;”.

### **Amendment of section 5**

5. In the BSI Act, in section 5(1), after “bus interchanges,”, insert “and the control of entities providing essential transport services and their equity interest holders,”.

**Amendment of section 19****6. In the BSI Act, in section 19 —**

(a) replace subsection (2) with —

“(1A) A person must not be appointed as a manager of, or become a partner in, a limited liability partnership that is a bus operator holding a Class 1 bus service licence, unless the licensee has obtained the prior written approval of the LTA.

(2) A person must not become a partner in a partnership that is a bus operator holding a Class 1 bus service licence unless the person has obtained the prior written approval of the LTA.”;

(b) before subsection (3), insert —

“(2A) The LTA may —

(a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.”;

(c) in subsection (3), replace “Where an individual” with “Where a person”;

(d) in subsection (3), replace paragraph (c) with —

“(c) is appointed a manager of or becomes a partner in a limited liability partnership in contravention of subsection (1A), or becomes a partner in a partnership in contravention of subsection (2),”;

(e) in subsection (3), replace paragraph (f) with —

“(f) to remove that manager or partner.”; and

(f) replace subsections (4) and (5) with —

“(4) This section has effect despite the provisions of any other written law and the provisions of the

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memorandum or articles of association, limited liability partnership, partnership contract or other constitution, of the bus operator holding the Class 1 bus service licence.

(5) Nothing in subsection (3) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to the person in respect of the termination of the person's appointment as a chief executive officer, director or chairperson of the board of directors or the person's removal as a manager or partner.

(6) This section does not apply to or in relation to any bus operator holding a Class 1 bus service licence that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”.

### **Replacement of section 21**

7. In the BSI Act, replace section 21 with —

#### **“Restrictions on voluntary winding up, etc., of bus operators holding Class 1 bus service licences**

**21.—**(1) Despite any other written law —

- (a) a bus operator holding a Class 1 bus service licence cannot be wound up voluntarily without the consent of the LTA;
- (b) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a bus operator holding a Class 1 bus service licence, unless that person has served 14 days' notice in writing of that person's intention to make that application on the LTA;
- (c) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018

may be made in relation to a bus operator holding a Class 1 bus service licence without the consent of the LTA;

- (d) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a bus operator holding a Class 1 bus service licence without the consent of the LTA;
  - (e) a person must not take any step to enforce any security over the property of a bus operator holding a Class 1 bus service licence unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA; and
  - (f) a person must not take any step to execute or enforce any judgment or order of court obtained against a bus operator holding a Class 1 bus service licence unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA.
- (2) The LTA must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a bus operator holding a Class 1 bus service licence;
  - (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a bus operator holding a Class 1 bus service licence; and
  - (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a bus operator holding a Class 1 bus service licence.

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the LTA in those proceedings.

(4) This section does not apply to or in relation to any bus operator holding a Class 1 bus service licence that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”.

## **New Part 4A**

8. In the BSI Act, after Part 4, insert —

“PART 4A

### **CONTROL OF DESIGNATED ENTITIES**

#### *Division 1 — Preliminary*

#### **Extraterritorial application of this Part**

**28A.**—(1) Except where otherwise expressly provided, this Part applies to, and in relation to —

- (a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and
- (b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not.

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.

#### **Interpretation of this Part**

**28B.**—(1) In this Part —

“5% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 5% or more, but less than 25%, of the total equity interests in that designated entity; or

(b) is in a position to control 5% or more, but less than 25%, of the voting power in that designated entity;

“25% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 25% or more, but less than 50%, of the total equity interests in that designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in that designated entity;

“50% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in that designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in that designated entity;

“75% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 75% or more of the total equity interests in that designated entity; or

(b) is in a position to control 75% or more of the voting power in that designated entity;

“acquisition” includes an agreement to acquire, but does not include —

(a) an acquisition by will or by operation of law; or

(b) an acquisition by way of enforcement of a loan security;



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“arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

“chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —

(a) is in the direct employment of, or acting for or by arrangement with, the designated entity or trustee-manager, as the case may be; and

(b) is principally responsible for the management and conduct of the designated entity or trustee-manager, as the case may be,

and includes any individual for the time being performing all or any of the functions of a chief executive officer;

“control” includes control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights;

“decrease”, in relation to the holding of equity interests, includes a decrease to a point of nil;

“equity interest” —

(a) in relation to a corporation — means a voting share in that corporation;

(b) in relation to an entity other than a corporation — means any right or interest, whether legal or equitable, in that entity (by whatever name called) which gives the holder of that right or interest voting power in that entity; and

(c) in relation to a business trust — means a unit in that business trust;

“increase”, in relation to the holding of equity interests, includes an increase from a starting point of nil;

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

(b) who is in a position to determine the policy of the designated entity,

but does not include —

(c) any person who is —

(i) a director or other officer of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust);  
or

(d) any person whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed to act in accordance with by reason only that the acting is on advice given by

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the person in that person's professional capacity;

“liquidator” includes the Official Receiver when acting as the liquidator of a corporation;

“officer”, in relation to a corporation, includes —

- (a) a director or secretary of, or a person employed in an executive capacity by, the corporation;
- (b) any receiver or manager, or any receiver and manager, of any part of the undertaking of the corporation, appointed under a power contained in any instrument or by the General Division of the High Court or by creditors;
- (c) any liquidator of the corporation appointed in a voluntary winding up or by the General Division of the High Court or by creditors; and
- (d) any judicial manager of the corporation appointed under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018;

“Official Receiver” has the meaning given by section 2(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“related corporation”, in relation to a corporation, means another corporation that is deemed under section 28D(2) to be related to that corporation;

“share”, in relation to a corporation, means a share in the share capital of the corporation and includes stock into which all or any of the share capital of the corporation has been converted;

“treasury share” has the meaning given by section 4(1) of the Companies Act 1967;

“trustee-manager” has the meaning given by section 2 of the Business Trusts Act 2004;

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

“unitholder” means a person who holds units in a business trust;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“voting share” has the meaning given by section 4(1) of the Companies Act 1967 but does not include a treasury share.

(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

(a) a general meeting of the designated entity; or

(b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.

(3) In ascertaining a person’s control of the percentage of the total number of votes that might be cast at a general meeting mentioned in subsection (2), the number of votes that the person is entitled to cast at the meeting by reason of having been appointed a proxy or representative to vote at the meeting is to be disregarded.

(4) In this Part —

(a) a reference to the chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;

(b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

- (c) a reference to a condition imposed by the LTA includes a condition added or varied by the LTA.

### **What holding an equity interest means**

**28C.—**(1) In this Part, a person holds an equity interest if the person —

- (a) has or is deemed to have an equity interest in accordance with subsections (2) to (8); or
- (b) otherwise has a legal or equitable interest in that equity interest,

except for any interest prescribed under section 49 as an interest that is to be disregarded.

(2) Subject to subsection (3), a person has an equity interest if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that equity interest.

(3) It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, the equity interest mentioned in subsection (2) is, or is capable of being made, subject to restraint or restriction.

(4) It is immaterial, for the purposes of determining whether a person has an equity interest, that the interest cannot be related to a particular share, an interest or a right that gives its holder voting power, or a unit of a business trust, as the case may be.

(5) A person is deemed to have an equity interest if —

- (a) any property held in trust consists of or includes the equity interest; and
- (b) the person knows, or has reasonable grounds for believing, that the person has an interest under that trust.

(6) A person is also deemed to have an equity interest if that person —

- (a) has entered into a contract to purchase the equity interest;
- (b) has a right, otherwise than by reason of having an interest under a trust, to have the equity interest transferred to (or to the order of) that person, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
- (c) has the right to acquire the equity interest under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
- (d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —
  - (i) a general meeting of the designated entity; or
  - (ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.

(7) A person is not to be deemed as not having an equity interest by reason only that the person has the equity interest jointly with another person.

(8) An equity interest is not to be disregarded by reason only of —

- (a) its remoteness;
- (b) the manner in which it arose; or
- (c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.

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**Meanings of “associate”, “related corporation”,  
“subsidiary” and “holding company”**

**28D.**—(1) In this Part, a person (*A*) is an associate of another person (*B*) if —

- (a) *A* is the spouse, or a parent, step-parent or remoter lineal ancestor, or a son, stepson, daughter, stepdaughter or remoter issue, or a brother or sister, of *B*;
- (b) *A* is a partner of *B* in a partnership or limited liability partnership;
- (c) *A* is a corporation of which *B* is an officer;
- (d) *B* is a corporation of which *A* is an officer;
- (e) *A* and *B* are officers of the same corporation;
- (f) *A* is an employee of *B*;
- (g) *B* is an employee of *A*;
- (h) *A* and *B* are employees of the same employer;
- (i) *A* is the trustee of a discretionary trust where *B* (or another person who is an associate of *B* by virtue of any paragraph, except this paragraph and paragraphs (j) and (r)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts;
- (j) *B* is the trustee of a discretionary trust where *A* (or another person who is an associate of *A* by virtue of any paragraph, except this paragraph and paragraphs (i) and (r)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts;
- (k) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or

wishes of *B* or, where *B* is a corporation, of the directors of *B*;

- (*l*) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (*m*) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- (*n*) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (*o*) *A* is a related corporation of *B*;
- (*p*) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (*b*) to (*o*), is in a position to control at least 20% of the voting power in *A*;
- (*q*) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (*b*) to (*o*), is in a position to control at least 20% of the voting power in *B*;
- (*r*) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters:
  - (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;
  - (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;



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(iii) the power of *A* and *B*, by acting together, to appoint or remove —

(A) a director of a designated entity; or

(B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the business trust;

(iv) the situation where one or more of the directors of —

(A) a designated entity; or

(B) in the case of a designated entity that is a business trust — the trustee-manager of the business trust,

are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;

(s) *A* controls more than half of the voting power of a holding company of *B*;

(t) *B* controls more than half of the voting power of a holding company of *A*; or

(u) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 49.

(2) A corporation (*A*) and another corporation (*B*) are deemed to be related to each other for the purposes of this section where *A* is —

(a) the holding company of *B*;

(b) a subsidiary of *B*; or

(c) a subsidiary of the holding company of *B*.

(3) For the purposes of subsection (2), a corporation (*A*) is, subject to subsection (5), deemed to be a subsidiary of another corporation (*B*) if —

- (a) *B* controls the composition of the board of directors of *A*;
- (b) *B* controls more than half of the voting power of *A*; or
- (c) *A* is a subsidiary of any corporation which is *B*'s subsidiary.

(4) For the purposes of subsection (3), the composition of *A*'s board of directors is deemed to be controlled by *B* if *B*, by the exercise of a power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, *B* is deemed to have power to make such an appointment if —

- (a) a person cannot be appointed as a director without the exercise in the person's favour by *B* of such a power; or
- (b) a person's appointment as a director follows necessarily from that person being a director or other officer of *B*.

(5) In determining whether one corporation (*A*) is the subsidiary of another corporation (*B*) —

- (a) any shares held or power exercisable by *B* in a fiduciary capacity is treated as not held or exercisable by *B*;
- (b) subject to paragraphs (c) and (d), any shares held or power exercisable —
  - (i) by any person as a nominee for *B* (except if *B* is concerned only in a fiduciary capacity); or
  - (ii) by, or by a nominee for, a subsidiary of *B*, not being a subsidiary which is concerned only in a fiduciary capacity,is to be treated as being held or exercisable by *B*;
- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of *A*, or of a

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trust deed for securing any issue of such debentures, is to be disregarded; and

- (d) any shares held or power exercisable by, or by a nominee for, *B* or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) is to be treated as not held or exercisable by *B* if the ordinary business of *B* or its subsidiary (as the case may be) includes the lending of money and the shares are so held or power is so exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(6) A reference in this section to the holding company of a corporation is to a corporation of which the last mentioned corporation is a subsidiary.

(7) For the purposes of this section, the Depository is not to be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.

(8) Regulations made under section 49 may provide that any person or class of persons are not associates of another person for the purposes of any provision of this Part.

(9) In this section —

“Depository” has the meaning given by section 81SF of the Securities and Futures Act 2001;

“officer”, in relation to a corporation, means a director or secretary of, or any person employed in an executive capacity by, the corporation.

### **Designation of designated operating entities and designated equity interest holders**

**28E.**—(1) The LTA may by notification in the *Gazette* —

- (a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or

- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the LTA considers that the designation is necessary in the public interest.

(2) The LTA must inform the Minister of the LTA's decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) —

- (a) must specify the date on which the designation takes effect; and
- (b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The LTA may by notification in the *Gazette* cancel a designation at any time.

### *Division 2 — Control of designated entities*

#### **Notice to LTA by 5% controller of designated entity**

**28F.**—(1) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the LTA of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

(3) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that the accused —

- (a) was not aware of the contravention when it occurred; and
- (b) notified the LTA of the contravention within a period of 14 days after becoming aware of the contravention.

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(4) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that, though the accused was aware of the contravention —

- (a) the contravention occurred as a result of an increase in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;
- (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity; and
- (c) the accused notified the LTA of the contravention within a period of 7 days after the contravention.

(5) Except as provided in subsections (3) and (4), it is not a defence in any proceedings for a contravention of subsection (1) to prove that the accused did not intend to or did not knowingly contravene subsection (1).

**Approvals of LTA in relation to equity interests and control of voting power in designated entities in certain cases**

**28G.**—(1) Except with the prior written approval of the LTA, a person must not —

- (a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date; or
- (b) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a

25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

(2) Subsection (1) does not apply if the transaction through which a person becomes a 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

(3) A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the LTA.

(4) The LTA may approve an application under subsection (1)(a) or (3) if the LTA is satisfied that —

- (a) the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the LTA, are fit and proper persons;
- (b) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:
  - (i) the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;
  - (ii) the trustee-manager of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;
  - (iii) in the case where the person is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;

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(c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the LTA, the following requirements are met:

(i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

(ii) if the designated entity is a designated equity interest holder —

(A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(5) The LTA may approve an application under subsection (1)(b) if the LTA is satisfied that —

(a) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

- (ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;
  - (iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;
- (b) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;
- (c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —
  - (i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and
  - (ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and
- (d) it is in the public interest to do so.



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(6) The LTA may —

- (a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and
- (b) at any time add to, vary or revoke any condition so imposed.

(7) Any condition imposed by the LTA under subsection (6) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in relation to which the application for approval under subsection (1) or (3) is made.

(8) Any person who contravenes subsection (1) or (3), or who fails to comply with any condition imposed under subsection (6), shall be guilty of an offence.

(9) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that —

- (a) the accused was not aware of the contravention when it occurred;
- (b) the accused notified the LTA of the contravention within a period of 14 days after becoming aware of the contravention; and
- (c) if the LTA issued any direction under section 28M relating to the contravention —
  - (i) the accused complied with the direction within the period determined by the LTA under that section; or
  - (ii) the period determined by the LTA under that section for compliance with the direction has not expired.

(10) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that even though the accused was aware of the contravention —

- (a) the contravention occurred as a result of an increase or a decrease in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;
  - (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity;
  - (c) the accused notified the LTA of the contravention within a period of 7 days after the contravention or breach; and
  - (d) if the LTA issued any direction under section 28M relating to the contravention —
    - (i) the accused complied with the direction within the period determined by the LTA under that section; or
    - (ii) the period determined by the LTA under that section for compliance with the direction has not expired.
- (11) In any proceedings for a contravention of subsection (3), it is a defence for the accused to prove that —
- (a) the accused was not aware of the contravention when it occurred;
  - (b) the accused notified the LTA of the contravention within a period of 14 days after the contravention; and
  - (c) if the LTA issued any direction under section 28M relating to the contravention —
    - (i) the accused complied with the direction within the period determined by the LTA under that section; or

- (ii) the period determined by the LTA under that section for compliance with the direction has not expired.

(12) Except as provided in subsections (9), (10) and (11), it is not a defence in any proceedings for a contravention of subsection (1) or (3) to prove that the accused did not intend to or did not knowingly contravene subsection (1) or (3).

**Appointment and removal of chief executive officer, chairperson, director, etc., of designated entity**

**28H.**—(1) A licensee-designated operating entity must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the licensee-designated operating entity has obtained the prior written approval of the LTA.

(2) Each of the following persons must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer or the chairperson of its board of directors unless the person has obtained the prior written approval of the LTA:

- (a) a non-licensee-designated operating entity or, in the case of a non-licensee-designated operating entity that is a business trust, its trustee-manager;
- (b) a designated equity interest holder or, in the case of a designated equity interest holder that is a business trust, its trustee-manager.

(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the designated entity has obtained the prior written approval of the LTA.

(4) A person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity

unless the person has obtained the prior written approval of the LTA.

(5) The LTA may —

- (a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and
- (b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

(7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

(8) In this section —

- (a) a reference to a “licensee-designated operating entity” is to a designated operating entity that is also —
  - (i) a bus operator holding a Class 1 bus service licence; or
  - (ii) a licensee holding a bus depot licence or bus interchange licence; and
- (b) a reference to a “non-licensee-designated operating entity” is to a designated operating entity that is not a licensee-designated operating entity.

### **Acquisition of business of designated operating entity as going concern**

**28I.—**(1) A person must not, on or after the effective designation date, acquire as a going concern, a designated

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operating entity's business of providing any essential transport service (or any part of such business) unless —

- (a) the person; and
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the LTA.

(2) An application for the LTA's approval under subsection (1) must be —

- (a) made jointly by the persons mentioned in subsection (1)(a) and (b); and
- (b) made in such form and manner as the LTA may specify.

(3) The LTA may approve an application under subsection (1) if the LTA is satisfied that —

- (a) the person acquiring the business or part is a fit and proper person;
- (b) after the acquisition, the essential transport service mentioned in subsection (1) will continue to be safe, reliable and efficient;
- (c) in the case where after the acquisition, the designated operating entity continues to carry out part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and
- (d) it is in the public interest to do so.

(4) The LTA may —

- (a) grant an approval under this section subject to any conditions that the LTA considers appropriate to impose; and
- (b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

### **Occurrence of certain events**

**28J.**—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the LTA of any of the following agreements at least 14 days before entering into the agreement:

- (a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;
- (b) any agreement prescribed under section 49.

(2) Subsection (1) does not apply in relation to any agreement entered into before the expiry of 14 days after the effective designation date.

(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the LTA of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

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- (a) in the case of a designated entity that is a designated operating entity —
- (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or
  - (ii) any other event or any irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;
- (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;
- (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
- (i) being wound up or subject to any receivership or judicial management order; or
  - (ii) entering into a compromise or scheme of arrangement;
- (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;
- (e) any other event prescribed under section 49.

(4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The LTA may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the occurrence of an event, direct the designated entity or trustee-manager in question to submit to the LTA any

information or document relating to the agreement or event within the period specified by the LTA.

(6) A person who —

- (a) contravenes subsection (1) or (3);
- (b) fails to comply with a direction of the LTA under subsection (5); or
- (c) submits any false or misleading information or document in compliance or purported compliance with a direction of the LTA under subsection (5),

shall be guilty of an offence.

### **Duty of designated entity or trustee-manager to report changes of equity and control of certain persons**

**28K.**—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

- (a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;
  - (b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
  - (c) a person has, on or after the effective designation date, become an indirect controller of the designated entity;
- or



- (d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired as a going concern, the designated operating entity's business of providing any essential transport service (or any part of such business),

the designated entity or trustee-manager (as the case may be) must inform the LTA in writing within 7 days after becoming aware of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

### **Restrictions on voluntary winding up, etc., of designated operating entities**

**28L.**—(1) Despite any other written law —

- (a) a designated operating entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the LTA;
- (b) a designated operating entity that is a partnership cannot be dissolved —
- (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner's intention to dissolve the partnership; or
  - (ii) by the partners agreeing to dissolve the partnership,
- without the consent of the LTA;
- (c) a designated operating entity that is a business trust cannot be wound up voluntarily without the consent of the LTA;
- (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation, unless that

person has served 14 days' notice in writing of that person's intention to make that application on the LTA;

- (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a designated operating entity that is a corporation without the consent of the LTA;
- (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a designated operating entity that is a corporation without the consent of the LTA;
- (g) a person must not take any step to enforce any security over —
  - (i) the property of a designated operating entity; or
  - (ii) in the case of a designated operating entity that is a business trust — the trust property of the trust,

unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA; and

- (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a designated operating entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the LTA.
- (2) The LTA must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;
- (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a designated operating entity that is a company or an unregistered company;
- (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a designated operating entity that is a limited liability partnership; and
- (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any designated operating entity that is an entity not mentioned in paragraph (c) or (d).

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the LTA in those proceedings.

### *Division 3 — Remedial directions*

#### **Remedial directions relating to section 28G**

**28M.**—(1) Subsection (2), (3) or (4) applies if —

- (a) the LTA is satisfied that a person (called in this section a defaulter) —
  - (i) has contravened section 28G(1) or (3) or failed to comply with a condition imposed on that person under section 28G(6); or
  - (ii) has provided false or misleading information or documents in connection with an application for approval under section 28G(1) or (3); or
- (b) the LTA would not have granted its approval under section 28G(1) or (3) had it been aware, at the time of

approval, of circumstances relevant to a defaulter's application for such approval.

(2) Where the defaulter is a 25% controller, 50% controller or 75% controller of the designated entity, the LTA may do any one or more of the following:

- (a) direct the defaulter to take such steps as are necessary, within the period specified by the LTA, to cease to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
- (b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (called in this section and section 28N the section 28M(2) equity interests), within such time and subject to such conditions as the LTA considers appropriate;
- (c) restrict or prohibit the transfer or disposal of all or any of the section 28M(2) equity interests, subject to any conditions that the LTA considers appropriate;
- (d) make any other direction that the LTA considers appropriate.

(3) Where, as a result of a person (called in this subsection the transferee) acquiring any equity interests from the defaulter who is a 25% controller, 50% controller or 75% controller of the designated entity (called in this section and section 28N the section 28M(3) equity interests), the defaulter ceases to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity, the LTA may do one or more of the following:

- (a) direct the transferee to take such steps as are necessary, within the period specified by the LTA, to cease to hold all or any of the section 28M(3) equity interests;
- (b) direct the defaulter to take such steps as are necessary within the period specified by the LTA, to resume being a 25% controller, 50% controller or 75%

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controller (as the case may be) of the designated entity;

- (c) direct the acquisition, transfer or disposal of all or any of the section 28M(3) equity interests within such time and subject to such conditions as the LTA considers appropriate;
- (d) restrict or prohibit the transfer or disposal of all or any of the section 28M(3) equity interests, subject to any conditions that the LTA considers appropriate;
- (e) make any other direction that the LTA considers appropriate.

(4) Where the defaulter is an indirect controller of the designated entity, the LTA may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary, within the period specified by the LTA, to cease to be such an indirect controller or to cause the defaulter to cease to be such an indirect controller;
- (b) make any other direction that the LTA considers appropriate.

**Effect of remedial directions issued under section 28M, etc.**

**28N.**—(1) Any direction issued to a person, and any condition imposed, under section 28M(2) or (3) take effect despite —

- (a) any other written law;
- (b) anything in any listing rules as defined in section 2(1) of the Securities and Futures Act 2001; and
- (c) the provisions of the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in question.

(2) Without affecting subsection (1), where any direction is issued under section 28M(2) or (3), then, until the direction is carried out or is suspended or revoked —

- (a) the voting rights in respect of the section 28M(2) equity interests or section 28M(3) equity interests that are subject to the direction are not exercisable, unless the LTA expressly permits those rights to be exercised;
- (b) the voting power that the person to whom the direction is issued controls, whether alone or together with that person's associates, in the designated entity is not exercisable, unless the LTA expressly permits that power to be exercised;
- (c) no equity interest in the designated entity is to be issued or offered (whether by way of dividends or otherwise) in respect of the section 28M(2) equity interests or section 28M(3) equity interests that are subject to the direction, unless the LTA expressly permits that issue or offer; and
- (d) no amount may be paid (whether by way of profits, income or otherwise) in respect of the section 28M(2) equity interests or section 28M(3) equity interests that are subject to the direction, unless the LTA expressly authorises such payment.

(3) Subsection (2)(d) does not apply in the event of the winding up, dissolution, termination or deregistration of the designated entity.

### **Remedial directions relating to section 28H**

**28O.**—(1) Subsection (2) applies where —

- (a) an individual has been appointed or removed in contravention of section 28H(1) or (2), or a person has been appointed a manager of or becomes a partner in a designated entity in contravention of section 28H(3) or (4);

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- (b) any condition of approval imposed under section 28H(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the LTA in connection with an application for approval under section 28H(1), (2), (3) or (4):
- (i) a designated entity;
  - (ii) the trustee-manager of a designated entity;
  - (iii) the person mentioned in section 28H(4); or
- (d) the LTA would not have granted its approval under section 28H(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person's application for such approval.
- (2) The LTA may issue a direction to the designated entity or trustee-manager in question (as the case may be) to do as follows (whichever is applicable):
- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
  - (b) reinstate the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
  - (c) remove the person as a manager of or partner in the designated entity.
- (3) A direction issued under this section (including a direction varied under section 28Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or trustee-manager in question.
- (4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation

or damages payable to the person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors, a director, or the person's removal as a manager or partner.

### **Remedial directions relating to section 28I**

**28P.**—(1) Subsection (2) applies where —

- (a) a person has contravened section 28I(1); or
- (b) where the LTA has granted its approval under section 28I(1) —
  - (i) any condition of approval imposed under section 28I(4) has not been complied with;
  - (ii) either of the joint applicants mentioned in section 28I(1)(a) or (b) has provided false or misleading information or documents to the LTA in connection with the application for the approval; or
  - (iii) the LTA would not have granted its approval under section 28I(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The LTA may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 28I(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the LTA considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or
- (c) issue any other direction that the LTA considers appropriate.

(3) A direction issued under this section (including a direction varied under section 28Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum



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or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity in question.

### **Other provisions relating to remedial directions**

**28Q.**—(1) Before issuing any direction to a person under section 28M, 28O or 28P, the LTA must —

- (a) unless the LTA decides that it is not practicable or desirable to do so, give the person written notice of the LTA’s intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and
- (b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The LTA may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 28M, 28O or 28P.

(3) A person who fails to comply with a direction issued by the LTA under section 28M, 28O or 28P (including a direction that is varied under subsection (2)) within the period specified by the LTA shall be guilty of an offence.

### *Division 4 — Penalties*

#### **Penalties under this Part**

**28R.** A person guilty of an offence under this Part shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction.”.

#### **New Part 5A**

- 9.** In the BSI Act, after Part 5, insert —

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“PART 5A  
SPECIAL ADMINISTRATION ORDERS  
AND OTHER ORDERS FOR  
DESIGNATED OPERATING ENTITIES

**Interpretation of this Part**

**33A.**—(1) In this Part —

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

“unitholder” means a person who holds units in a business trust;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

(a) a reference to the affairs, business, undertaking, operations or activities of a designated operating entity that is a business trust is to the affairs, business, undertaking, operations or activities (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

(b) a reference to the obligations of a designated operating entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

**Non-application of this Part to designated operating entities that are licensees**

**33B.** This Part does not apply to or in relation to any designated operating entity that is also —

(a) a bus operator holding a Class 1 bus service licence;  
or

(b) a licensee holding a bus depot licence or bus interchange licence.

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**Meaning and purposes of special administration order**

**33C.**—(1) A special administration order is an order of the Minister made in relation to a designated operating entity on or after the effective designation date and in accordance with section 33D, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the LTA (called in this Part an appointed person) —

- (a) for securing one or more of the purposes specified in subsection (2); and
  - (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the entity.
- (2) For the purposes of subsection (1)(a), the purposes are —
- (a) the security and reliability of the business, undertaking or activities of the designated operating entity in Singapore relating to the entity’s provision of any essential transport service;
  - (b) the survival of the designated operating entity or the whole or any part of the business or undertaking of the entity, as a going concern;
  - (c) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the designated operating entity as is necessary to ensure that the obligations of the entity in relation to its business, undertaking or activities of providing any essential transport service may be properly carried out; and
  - (d) the carrying out of the obligations of the designated operating entity mentioned in paragraph (c) pending the transfer, as a going concern, of the entity’s business or undertaking mentioned in that paragraph to any other person or persons.

**Power to make special administration order and other orders**

**33D.**—(1) If, on an application made to the Minister by the LTA, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to a designated operating entity, the Minister may make any one or more of the following orders:

- (a) a special administration order in relation to the designated operating entity;
- (b) an order requiring —
  - (i) the designated operating entity; or
  - (ii) in the case of a designated operating entity that is a business trust — the trustee-manager of the business trust,

to immediately take any action or to do or not do any act or thing where the Minister considers that the action or the doing or not doing of the act or thing is necessary for the business, undertaking or activities of the designated operating entity of providing any essential transport service;

- (c) an order appointing a person (called in this Part an advisor) to advise —
  - (i) the designated operating entity; or
  - (ii) in the case of a designated operating entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the designated operating entity mentioned in paragraph (b).

(2) For the purposes of subsection (1), the grounds are the following:

- (a) the designated operating entity is or is likely to be unable to pay its debts;

(b) the Minister considers it to be in the interest of the security and reliability of the provision of any essential transport service by the designated operating entity;

(c) the Minister considers it to be in the public interest.

(3) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

(4) The Minister may make a special administration order in relation to a designated operating entity despite the commencement of (as applicable) —

(a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the designated operating entity, being a corporation;

(b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the designated operating entity, being a corporation;

(c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the designated operating entity, being a corporation;

(d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the designated operating entity, being a company or an unregistered company;

(e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the designated operating entity, being a limited liability partnership; or

(f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the

designated operating entity, being an entity not mentioned in paragraph (d) or (e).

(5) For the purposes of this section, a designated operating entity is unable to pay its debts if —

- (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or
- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.

**Ancillary directions, etc., when special administration order, etc., is made**

**33E.**—(1) A special administration order under this Part may specify that —

- (a) the appointed person has such functions and powers in relation to the operations of the designated operating entity as are specified in the order;
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and

(c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the designated operating entity as are specified in the order.

(2) A special administration order under this Part may also contain ancillary directions that may —

(a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;

(b) fix the remuneration and expenses to be paid by the designated operating entity or trustee-manager to the appointed person;

(c) specify the period for which the order under this section applies; and

(d) specify any other conditions that may apply.

(3) An order under section 33D(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the designated operating entity or trustee-manager to the advisor.

### **Effect of special administration order and other orders**

**33F.**—(1) Any decision of the Minister under section 33D(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

(3) Nothing in Part 4 or 4A applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

**Duties of designated operating entity or trustee-manager, etc.**

**33G.**—(1) The designated operating entity that is the subject of a special administration order under this Part or, in the case of such a designated operating entity that is a business trust, its trustee-manager —

- (a) must facilitate the handover of the operations to the appointed person as specified in the order;
- (b) must not obstruct the appointed person’s access to property or the exercise by the appointed person of the appointed person’s responsibilities under or pursuant to the special administration order; and
- (c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person’s responsibilities under or pursuant to the special administration order.

(2) The designated operating entity or trustee-manager which fails to comply with subsection (1) or an order under section 33D(1)(b) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.

**Transfer of property, etc., under special administration order**

**33H.**—(1) Without limiting sections 33C, 33D and 33E, a special administration order may provide for the following matters:

- (a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):
  - (i) the property, rights and liabilities of a designated operating entity;
  - (ii) in the case of a designated operating entity that is a business trust — the property of the business trust, and the rights held and the



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liabilities incurred by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

(b) matters that are consequential or related to any such transfer.

(2) If the Minister makes a special administration order providing for any matter mentioned in subsection (1), the Minister must, by notification in the *Gazette*, establish a scheme within the following period for determining the amount of any compensation payable by the prescribed transferee to the designated operating entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities:

(a) 6 months after the date of the making of the special administration order;

(b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the designated operating entity or trustee-manager.

(3) A scheme established under subsection (2) may provide for —

(a) the manner in which any compensation or consideration is to be assessed, including methods of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;

(b) the assessment to be made by an independent valuer appointed by the Minister; and

(c) the remuneration and expenses of the independent valuer.

(4) In this section, “prescribed transferee” means the LTA or a person nominated by the Minister.

### **Regulations for this Part**

**33I.** The Minister may make regulations under section 49 for giving effect to this Part, including —

- (a) regulations governing the transfer of property, rights and liabilities of or in relation to a designated operating entity mentioned in section 33H(1)(a) and matters consequential or related to such transfer; and
- (b) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

### **Amendment of section 39**

**10.** In the BSI Act, in section 39(1) —

- (a) in paragraph (a), after sub-paragraph (i), insert —
  - “(ia) any condition of approval under section 19;”; and
- (b) in paragraph (f)(i), replace “chief executive” with “chief executive officer”.

### **Amendment of section 41**

**11.** In the BSI Act, in section 41, after subsection (3), insert —

“(3A) Any person who is aggrieved by any of the following decisions of the LTA may appeal to the Minister against the decision:

- (a) any decision to designate an entity under section 28E;
- (b) any refusal to grant an approval required under section 28G, 28H or 28I;
- (c) any decision to impose, add to or vary any condition under section 28G, 28H or 28I;
- (d) any decision to issue a direction under section 28M, 28O or 28P or to vary a direction under section 28Q(2).”.

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**Amendment of section 42**

**12.** In the BSI Act, in section 42, replace “Minister of State or Parliamentary Secretary” wherever it appears with “Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary”.

**New section 42A**

**13.** In the BSI Act, in Part 8, before section 43, insert —

**“Advisory guidelines**

**42A.—**(1) The LTA may make advisory guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

(2) Advisory guidelines, for example, may be made about —

(a) what amounts to a material function of a designated operating entity for the purposes of section 28J(1)(a);  
or

(b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 28J(3)(a).

(3) The LTA may make different advisory guidelines under subsection (1) in respect of different persons or entities or different classes of persons or entities.

(4) The Authority must —

(a) give a copy of each advisory guideline it makes to the Minister; and

(b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.

(5) Despite subsection (4)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person

or entity other than the person or entity to which the advisory guideline applies.

(6) The failure to comply with subsection (4) or (5) in respect of any advisory guideline does not invalidate the advisory guideline.”.

### **Amendment of section 46**

**14.** In the BSI Act, in section 46, after “all or any provisions”, insert “(or any part of any provision)”.

### **New section 48A**

**15.** In the BSI Act, after section 48, insert —

#### **“Power to amend Schedule**

**48A.** The Minister may, by order in the *Gazette*, amend the Schedule.”.

### **New Schedule**

**16.** In the BSI Act, after section 49, insert —

#### **“THE SCHEDULE**

Sections 2 and 48A

#### **BUS SERVICES AND OTHER SERVICES FOR PURPOSES OF PARAGRAPHS (b) AND (c) OF DEFINITION OF “ESSENTIAL TRANSPORT SERVICE”**

##### **PART 1**

##### **BUS SERVICES**

1. Any regular route service provided pursuant to a public bus services contract entered into under section 6(2).

##### **PART 2**

##### **OTHER SERVICES**

1. Monitoring and management of any regular route service provided pursuant to a public bus services contract entered into under section 6(2).”.

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PART 2

AMENDMENT OF CIVIL AVIATION  
AUTHORITY OF SINGAPORE ACT 2009

**Deletion of section 46**

17. In the Civil Aviation Authority of Singapore Act 2009 (called in this Part the CAAS Act), delete section 46.

**Replacement of Part heading of Part 5**

18. In the CAAS Act, in Part 5, replace the Part heading with —

“PART 5

CONTROL OF OWNERSHIP AND  
MANAGEMENT, ETC., OF AIRPORT LICENSEES  
AND DESIGNATED ENTITIES”.

**New Division 1 of Part 5**

19. In the CAAS Act, in Part 5, before Division 1, insert —

*“Division 1 — Interpretation*

**Interpretation of this Part**

**56A.**—(1) In this Part —

“5% controller” has the meaning given by section 56B;

“25% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 25% or more, but less than 50%, of the total equity interests in that designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in that designated entity;

“50% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in that designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in that designated entity;

“75% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 75% or more of the total equity interests in that designated entity; or

(b) is in a position to control 75% or more of the voting power in that designated entity;

“acquisition” includes an agreement to acquire, but does not include —

(a) an acquisition by will or by operation of law; or

(b) an acquisition by way of enforcement of a loan security;

“arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

“business trust” has the meaning given by section 2 of the Business Trusts Act 2004;

“chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —

(a) is in the direct employment of, or acting for or by arrangement with, the designated entity or trustee-manager, as the case may be; and

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(b) is principally responsible for the management and conduct of the designated entity or trustee-manager, as the case may be,

and includes any individual for the time being performing all or any of the functions of a chief executive officer;

“Class 1 designated operating entity” means a designated operating entity that is also an airport licensee or a designated business trust;

“Class 2 designated operating entity” means a designated operating entity that is neither an airport licensee nor a designated business trust;

“control” includes control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights;

“decrease”, in relation to the holding of equity interests, includes a decrease to a point of nil;

“designated business trust” means a business trust that is established wholly or partly in respect of an airport (or any part of an airport) and which has been declared by the Authority, by notification in the *Gazette*, to be a designated business trust for the purposes of this Part;

“designated entity” means a designated equity interest holder or a designated operating entity;

“designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 64;

“designated operating entity” means an entity that has been designated as a designated operating entity under section 64;

“director” has the meaning given by section 4(1) of the Companies Act 1967;

“effective designation date”, in relation to a designated entity, means the date specified under section 64(3) as the date on which the designation of that entity as a designated operating entity or designated equity interest holder (as the case may be) takes effect;

“entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;

“equity interest” —

(a) in relation to a corporation — means a voting share in that corporation;

(b) in relation to an entity other than a corporation — means any right or interest, whether legal or equitable, in that entity (by whatever name called) which gives the holder of that right or interest voting power in that entity; and

(c) in relation to a business trust — means a unit in that business trust;

“essential transport service” means any service or facility specified or described in the Third Schedule which is necessary for the continuity of, or to support, the provision of air transport;

“increase”, in relation to the holding of equity interests, includes an increase from a starting point of nil;

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or



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- (ii) the trustee-manager (in the case of a designated entity that is a business trust),  
is accustomed or under an obligation, whether formal or informal, to act in accordance with; or
  - (b) who is in a position to determine the policy of the designated entity,

but does not include —

- (c) any person who is —
  - (i) a director or other officer of the designated entity; or
  - (ii) the trustee-manager (in the case of a designated entity that is a business trust);  
or
- (d) any person whose directions, instructions or wishes —
  - (i) the directors or other officers of the designated entity; or
  - (ii) the trustee-manager (in the case of a designated entity that is a business trust),  
is accustomed to act in accordance with by reason only that the acting is on advice given by the person in that person's professional capacity;

“liquidator” includes the Official Receiver when acting as the liquidator of a corporation;

“officer”, in relation to a corporation, includes —

- (a) a director or secretary of, or a person employed in an executive capacity by, the corporation;
- (b) any receiver or manager, or any receiver and manager, of any part of the undertaking of the corporation, appointed under a power contained

in any instrument or by the General Division of the High Court or by creditors;

(c) any liquidator of the corporation appointed in a voluntary winding up or by the General Division of the High Court or by creditors; and

(d) any judicial manager of the corporation appointed under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018;

“Official Receiver” has the meaning given by section 2(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“related corporation”, in relation to a corporation, means another corporation that is deemed under section 56D(2) to be related to that corporation;

“share”, in relation to a corporation, means a share in the share capital of the corporation and includes stock into which all or any of the share capital of the corporation has been converted;

“treasury share” has the meaning given by section 4(1) of the Companies Act 1967;

“trustee-manager” has the meaning given by section 2 of the Business Trusts Act 2004;

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

“unitholder” means a person who holds units in a business trust;

“voting share” has the meaning given by section 4(1) of the Companies Act 1967 but does not include a treasury share.

(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

- (a) a general meeting of the designated entity; or
- (b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.

(3) In ascertaining a person’s control of the percentage of the total number of votes that might be cast at a general meeting mentioned in subsection (2), the number of votes that the person is entitled to cast at the meeting by reason of having been appointed a proxy or representative to vote at the meeting is to be disregarded.

(4) In this Part —

- (a) a reference to a chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;
- (b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and
- (c) a reference to a condition imposed by the Authority includes a condition added or varied by the Authority.

### **Meaning of “5% controller”**

**56B.**—(1) Subject to subsection (2), in this Part, a reference to a “5% controller” of an entity is to a person who, alone or together with that person’s associates —

- (a) holds 5% or more, but less than 25%, of the total equity interests in that designated entity; or
- (b) is in a position to control 5% or more, but less than 25%, of the voting power in that designated entity.

(2) Where an entity is an airport licensee or a designated business trust (and not also a designated entity), a reference to a “5% controller” of that entity is to a person who, alone or together with that person’s associates —

- (a) holds 5% or more of the total equity interests in that entity; or
  - (b) is in a position to control 5% or more of the voting power in that entity.
- (3) Despite subsection (2) —
  - (a) the Minister may, by order in the *Gazette*, vary the definition of “5% controller” under subsection (2) by specifying a higher percentage of the total equity interests in or of the voting power in an airport licensee or a designated business trust; and
  - (b) any reference in this Part to a “5% controller” in relation to an entity that is an airport licensee or a designated business trust (and not also a designated entity) is to a person who, alone or together with the person’s associates —
    - (i) holds that specified higher percentage or more of the total equity interests in; or
    - (ii) is in a position to control that specified higher percentage or more of the voting power in, the airport licensee or designated business trust.
- (4) In making any order under subsection (3), the Minister may provide for such saving and transitional provisions as he or she thinks fit.
- (5) Every order made under subsection (3) must be presented to Parliament as soon as possible after publication in the *Gazette*.

### **What holding an equity interest means**

**56C.—**(1) In this Part, a person holds an equity interest if the person —

- (a) has or is deemed to have an equity interest in accordance with subsections (2) to (8); or

(b) otherwise has a legal or equitable interest in that equity interest,

except for —

(c) any interest to be disregarded under section 7(9) of the Companies Act 1967;

(d) any interest in a share held by a person whose ordinary business includes the lending of money if the person holds the interest as a loan security;

(e) any interest in a share held by a person, being an interest held by the person because the person holds a prescribed office;

(f) any interest of a prescribed kind in a share, being an interest held by such persons as are prescribed;

(g) any interest in a share held by the Government or the Minister for Finance in his or her corporate capacity;

(h) any equity interest of a prescribed kind in a company, being an equity interest held by a prescribed person;  
or

(i) any interest prescribed under section 102 as an interest that is to be disregarded.

(2) For the purposes of this Part, if —

(a) a person holds an interest in a share as a loan security;

(b) the ordinary business of the person includes the lending of money;

(c) the loan security is enforced;

(d) as a result of the enforcement of the loan security, the person becomes the holder of the share; and

- (e) the person holds the share for a continuous period (called the holding period) beginning at the time when the security was enforced,

the person's interest in the share is to be disregarded at all times during so much of the holding period as occurs during whichever of the following periods is applicable:

- (f) the period of 90 days beginning when the security was enforced;
- (g) if the Authority, by written notice given to the person, allows a longer period, the end of that longer period.

(3) Subject to subsection (4), a person has an equity interest if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that equity interest.

(4) It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, the equity interest mentioned in subsection (3) is, or is capable of being made, subject to restraint or restriction.

(5) It is immaterial, for the purposes of determining whether a person has an equity interest, that the interest cannot be related to a particular share, an interest or a right that gives its holder voting power, or a unit of a business trust, as the case may be.

(6) A person is deemed to have an equity interest if —

- (a) any property held in trust consists of or includes the equity interest; and
- (b) the person knows, or has reasonable grounds for believing, that the person has an interest under that trust.

(7) A person is also deemed to have an equity interest if that person —

- (a) has entered into a contract to purchase the equity interest;

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- (b) has a right, otherwise than by reason of having an interest under a trust, to have the equity interest transferred to (or to the order of) that person, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
  - (c) has the right to acquire the equity interest under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
  - (d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —
    - (i) a general meeting of the designated entity; or
    - (ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,

to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.

(8) For the purposes of subsection (7)(c), a person is entitled to acquire anything if the person is absolutely or contingently entitled to acquire it, whether because of any constituent document of an entity, the exercise of any right or option or for any other reason.

(9) A person is not to be deemed as not having an equity interest by reason only that the person has the equity interest jointly with another person.

(10) An equity interest is not to be disregarded by reason only of —

- (a) its remoteness;
- (b) the manner in which it arose; or
- (c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.

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**Meanings of “associate”, “related corporation”,  
“subsidiary” and “holding company”**

**56D.**—(1) In this Part, a person (*A*) is an associate of another person (*B*) if —

- (a) *A* is the spouse, or a parent, step-parent or remoter lineal ancestor, or a son, stepson, daughter, stepdaughter or remoter issue, or a brother or sister, of *B*;
- (b) *A* is a partner of *B* in a partnership or limited liability partnership;
- (c) *A* is a corporation of which *B* is an officer;
- (d) *B* is a corporation of which *A* is an officer;
- (e) *A* and *B* are officers of the same corporation;
- (f) *A* is an employee of *B*;
- (g) *B* is an employee of *A*;
- (h) *A* and *B* are employees of the same employer;
- (i) *A* is the trustee of a discretionary trust where *B* (or another person who is an associate of *B* by virtue of any paragraph, except this paragraph and paragraphs (j) and (r)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts;
- (j) *B* is the trustee of a discretionary trust where *A* (or another person who is an associate of *A* by virtue of any paragraph, except this paragraph and paragraphs (i) and (r)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts;
- (k) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or



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wishes of *B* or, where *B* is a corporation, of the directors of *B*;

- (*l*) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (*m*) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- (*n*) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (*o*) *A* is a related corporation of *B*;
- (*p*) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (*b*) to (*o*), is in a position to control at least 20% of the voting power in *A*;
- (*q*) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (*b*) to (*o*), is in a position to control at least 20% of the voting power in *B*;
- (*r*) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters:
  - (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;
  - (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;

(iii) the power of *A* and *B*, by acting together, to appoint or remove —

(A) a director of a designated entity; or

(B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the business trust;

(iv) the situation where one or more of the directors of —

(A) a designated entity; or

(B) in the case of a designated entity that is a business trust — the trustee-manager of the business trust,

are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;

(s) *A* controls more than half of the voting power of a holding company of *B*;

(t) *B* controls more than half of the voting power of a holding company of *A*; or

(u) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 102.

(2) A corporation (*A*) and another corporation (*B*) are deemed to be related to each other for the purposes of this section where *A* is —

(a) the holding company of *B*;

(b) a subsidiary of *B*; or

(c) a subsidiary of the holding company of *B*.

(3) For the purposes of subsection (2), a corporation (*A*) is, subject to subsection (5), deemed to be a subsidiary of another corporation (*B*) if —

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- (a) *B* controls the composition of the board of directors of *A*;
  - (b) *B* controls more than half of the voting power of *A*; or
  - (c) *A* is a subsidiary of any corporation which is *B*'s subsidiary.

(4) For the purposes of subsection (3), the composition of *A*'s board of directors is deemed to be controlled by *B* if *B*, by the exercise of a power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, *B* is deemed to have power to make such an appointment if —

- (a) a person cannot be appointed as a director without the exercise in the person's favour by *B* of such a power; or
- (b) a person's appointment as a director follows necessarily from that person being a director or other officer of *B*.

(5) In determining whether one corporation (*A*) is the subsidiary of another corporation (*B*) —

- (a) any shares held or power exercisable by *B* in a fiduciary capacity is treated as not held or exercisable by *B*;
- (b) subject to paragraphs (c) and (d), any shares held or power exercisable —
  - (i) by any person as a nominee for *B* (except if *B* is concerned only in a fiduciary capacity); or
  - (ii) by, or by a nominee for, a subsidiary of *B*, not being a subsidiary which is concerned only in a fiduciary capacity,

is to be treated as being held or exercisable by *B*;

(c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of *A*, or of a trust deed for securing any issue of such debentures, is to be disregarded; and

(d) any shares held or power exercisable by, or by a nominee for, *B* or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) is to be treated as not held or exercisable by *B* if the ordinary business of *B* or its subsidiary (as the case may be) includes the lending of money and the shares are so held or power is so exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(6) A reference in this section to the holding company of a corporation is to a corporation of which the last mentioned corporation is a subsidiary.

(7) For the purposes of this section, the Depository is not to be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.

(8) Regulations made under section 102 may provide that any person or class of persons are not associates of another person for the purposes of any provision of this Part.

(9) In this section —

“Depository” has the meaning given by section 81SF of the Securities and Futures Act 2001;

“officer”, in relation to a corporation, means a director or secretary of, or any person employed in an executive capacity by, the corporation.”.

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**Replacement of Division 1 heading of Part 5**

**20.** In the CAAS Act, in Part 5, in the existing Division 1, replace the Division heading with —

*“Division 2 — Control of ownership and management, etc., of airport licensees and designated business trusts”.*

**New sections 62A and 62B**

**21.** In the CAAS Act, in Part 5, in Division 2 (as renumbered by section 20), after section 62, insert —

**“Restrictions on voluntary winding up, etc., of airport licensees and designated business trusts**

**62A.—**(1) Despite any other written law —

- (a) an airport licensee cannot be wound up voluntarily without the consent of the Authority;
- (b) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to an airport licensee, unless that person has served 14 days’ notice in writing of that person’s intention to make that application on the Authority;
- (c) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to an airport licensee without the consent of the Authority;
- (d) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of an airport licensee without the consent of the Authority;
- (e) a designated business trust cannot be wound up voluntarily without the consent of the Authority;
- (f) a person must not take any step to enforce any security over —

- (i) the property of an airport licensee; or
    - (ii) the trust property of a designated business trust, unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and
  - (g) a person must not take any step to execute or enforce any judgment or order of court obtained against an airport licensee or a designated business trust unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority.
- (2) The Authority must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to an airport licensee;
  - (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to an airport licensee;
  - (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of an airport licensee; and
  - (d) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of a designated business trust.
- (3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

**Non-application and modification of Division 2 provisions in relation to Class 1 designated operating entities**

**62B.**—(1) Sections 57, 59, 60(1)(b) and (2), 61(2) and 62A do not apply to or in relation to any airport licensee or designated

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business trust that is also a Class 1 designated operating entity, starting on its effective designation date and while it remains so designated.

(2) Section 58 applies to or in relation to an airport licensee or a designated business trust that is also a Class 1 designated operating entity with the following modifications, starting on its effective designation date and while it remains so designated:

- (a) the reference in section 58(1)(a) to the business of an airport licensee (or any part thereof) conducted pursuant to its licence for an airport is to such business (or any part thereof) of the airport licensee where the operation of the airport is not an essential transport service;
- (b) the reference in section 58(1)(b) to the business (or any part thereof) of a designated business trust relating to an airport or any part thereof in respect of which, wholly or in part, the business trust is established is to such business (or any part thereof) where the operation of the airport is not an essential transport service.

(3) Section 60 applies to or in relation to an airport licensee or a designated business trust that is also a Class 1 designated operating entity with the following modifications, starting on its effective designation date and while it remains so designated:

- (a) the reference in section 60(1)(a) to section 57(1) or 58(1) is to section 58(1) as modified by subsection (2);
- (b) the reference in section 60(1)(c) and (3) to a business mentioned in section 58(1) is to a business mentioned in section 58(1) as modified by subsection (2).”.

## **Deletion of Division 2 of Part 5**

**22.** In the CAAS Act, in Part 5, delete the existing Division 2.

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**New Division 3 of Part 5**

**23.** In the CAAS Act, in Part 5, after Division 2 (as renumbered by section 20), insert —

*“Division 3 — Control of ownership and management, etc., of designated entities*

*Subdivision (1) — Preliminary*

**Extraterritorial application of this Division**

**63.**—(1) Except where otherwise expressly provided, this Part applies to, and in relation to —

- (a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and
- (b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not.

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.

*Subdivision (2) — Designation of entities*

**Designation of designated operating entities and designated equity interest holders**

**64.**—(1) The Authority may by notification in the *Gazette* —

- (a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or



- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the Authority considers that the designation is necessary in the public interest.

(2) The Authority must inform the Minister of the Authority's decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) —

(a) must specify the date on which the designation takes effect; and

(b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The Authority may by notification in the *Gazette* cancel a designation at any time.

*Subdivision (3) — Control of designated entities*

**Notice to Authority by 5% controller of Class 2 designated operating entity or designated equity interest holder**

**65.**—(1) This section applies only in relation to a designated entity that is a Class 2 designated operating entity or a designated equity interest holder.

(2) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the Authority of that fact.

(3) Any person who contravenes subsection (2) shall be guilty of an offence.

(4) In any proceedings for a contravention of subsection (2), it is a defence for the accused to prove that the accused —

- (a) was not aware of the contravention when it occurred; and
- (b) notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention.

(5) In any proceedings for a contravention of subsection (2), it is also a defence for the accused to prove that, though the accused was aware of the contravention —

- (a) the contravention occurred as a result of an increase in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;
- (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity; and
- (c) the accused notified the Authority of the contravention within a period of 7 days after the contravention.

(6) Except as provided in subsections (4) and (5), it is not a defence in any proceedings for a contravention of subsection (2) to prove that the accused did not intend to or did not knowingly contravene subsection (2).

### **Approvals of Authority in relation to equity interests and control of voting power in designated entities in certain cases**

**66.**—(1) Except with the prior written approval of the Authority, a person must not —

- (a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 5%

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controller, 25% controller, 50% controller or 75% controller of a Class 1 designated operating entity on or after the effective designation date;

- (b) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a Class 2 designated operating entity or designated equity interest holder on or after the effective designation date; or
- (c) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

(2) Subsection (1) does not apply if the transaction through which a person becomes a 5% controller, 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

(3) A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the Authority.

(4) The Authority may approve an application under subsection (1)(a) or (b) or (3) if the Authority is satisfied that —

- (a) the person who is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the Authority, are fit and proper persons;
- (b) the provision of any essential transport service by the following (whichever is applicable) will continue to be secure and reliable:

- (i) the designated operating entity of which the person is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller;
  - (ii) the trustee-manager of the designated operating entity of which the person is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller;
  - (iii) in the case where the person is to become a 5% controller, 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;
- (c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the Authority, the following requirements are met:
- (i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;
  - (ii) if the designated entity is a designated equity interest holder —
    - (A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated

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operating entity prudently and comply with the provisions of this Act; and

(B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(5) The Authority may approve an application under subsection (1)(c) if the Authority is satisfied that —

(a) the provision of any essential transport service by the following (whichever is applicable) will continue to be safe, reliable and efficient:

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

(ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

(iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;

(b) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

(c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —

(i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(6) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(7) Any condition imposed by the Authority under subsection (6) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in relation to which the application for approval under subsection (1) or (3) is made.

(8) Any person who contravenes subsection (1) or (3), or who fails to comply with any condition imposed under subsection (6), shall be guilty of an offence.

(9) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that —

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- (a) the accused was not aware of the contravention when it occurred;
  - (b) the accused notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention; and
  - (c) if the Authority issued any direction under section 67E relating to the contravention —
    - (i) the accused complied with the direction within the period determined by the Authority under that section; or
    - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(10) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that even though the accused was aware of the contravention —

- (a) the contravention occurred as a result of an increase or a decrease in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;
- (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity;
- (c) the accused notified the Authority of the contravention within a period of 7 days after the contravention or breach; and
- (d) if the Authority issued any direction under section 67E relating to the contravention —

- (i) the accused complied with the direction within the period determined by the Authority under that section; or
  - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.
- (11) In any proceedings for a contravention of subsection (3), it is a defence for the accused to prove that —
  - (a) the accused was not aware of the contravention when it occurred;
  - (b) the accused notified the Authority of the contravention within a period of 14 days after the contravention; and
  - (c) if the Authority issued any direction under section 67E relating to the contravention —
    - (i) the accused complied with the direction within the period determined by the Authority under that section; or
    - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.
- (12) Except as provided in subsections (9), (10) and (11), it is not a defence in any proceedings for a contravention of subsection (1) or (3) to prove that the accused did not intend to or did not knowingly contravene subsection (1) or (3).

**Appointment of chief executive officer, chairperson, director, etc., of designated entity**

**67.—**(1) A Class 1 designated operating entity or, in the case of a Class 1 designated operating entity that is a business trust, its trustee-manager, must not, on or after the effective designation date, appoint an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the Class 1 designated operating entity or the



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trustee-manager (as the case may be) has obtained the prior written approval of the Authority.

(2) A Class 2 designated operating entity or designated equity interest holder or, in the case of a Class 2 designated operating entity or designated equity interest holder that is a business trust, its trustee-manager, must not, on or after the effective designation date, appoint an individual as its chief executive officer or the chairperson of its board of directors unless the Class 2 designated operating entity, designated equity interest holder or trustee-manager (as the case may be) has obtained the prior written approval of the Authority.

(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the designated entity has obtained the prior written approval of the Authority.

(4) A person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity unless the person has obtained the prior written approval of the Authority.

(5) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

(7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity

in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

**Acquisition of business of designated operating entity as going concern**

**67A.**—(1) A person must not, on or after the effective designation date, acquire as a going concern, a designated operating entity’s business of providing any essential transport service (or any part of such business) unless —

- (a) the person; and
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the Authority.

(2) An application for the Authority’s approval under subsection (1) must be —

- (a) made jointly by the persons mentioned in subsection (1)(a) and (b); and
- (b) made in such form and manner as the Authority may specify.

(3) The Authority may approve an application under subsection (1) if the Authority is satisfied that —

- (a) the person acquiring the business or part is a fit and proper person;
- (b) after the acquisition, the provision of the essential transport service mentioned in subsection (1) will continue to be secure and reliable;
- (c) in the case where after the acquisition, the designated operating entity continues to carry on part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity

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prudently and comply with the provisions of this Act;  
and

(d) it is in the public interest to do so.

(4) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

### **Occurrence of certain events**

**67B.**—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of any of the following agreements at least 14 days before entering into the agreement:

(a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;

(b) any agreement prescribed under section 102.

(2) Subsection (1) does not apply in relation to any agreement entered into before the expiry of 14 days after the effective designation date.

(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the

Authority of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

- (a) in the case of a designated entity that is a designated operating entity —
    - (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or
    - (ii) any other event or irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;
  - (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;
  - (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
    - (i) being wound up or subject to any receivership or judicial management order; or
    - (ii) entering into a compromise or scheme of arrangement;
  - (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;
  - (e) any other event prescribed under section 102.
- (4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.
- (5) The Authority may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the

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occurrence of an event, direct the designated entity or trustee-manager in question to submit to the Authority any information or document relating to the agreement or event within the period specified by the Authority.

(6) Any person who —

- (a) contravenes subsection (1) or (3);
- (b) fails to comply with a direction of the Authority under subsection (5); or
- (c) submits any false or misleading information or document in compliance or purported compliance with a direction of the Authority under subsection (5),

shall be guilty of an offence.

**Duty of designated entity or trustee-manager to report changes of equity and control of certain persons**

**67C.**—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

- (a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;
- (b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
- (c) a person has, on or after the effective designation date, become an indirect controller of the designated entity;  
or

- (d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired as a going concern, the designated operating entity's business of providing any essential transport service (or any part of such business),

the designated entity or trustee-manager (as the case may be) must inform the Authority in writing within 7 days after becoming aware of that fact.

(2) A person who contravenes subsection (1) shall be guilty of an offence.

### **Restrictions on voluntary winding up, etc., of designated operating entities**

**67D.**—(1) Despite any other written law —

- (a) a designated operating entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the Authority;
- (b) a designated operating entity that is a partnership cannot be dissolved —
- (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner's intention to dissolve the partnership; or
  - (ii) by the partners agreeing to dissolve the partnership,

without the consent of the Authority;

- (c) a designated operating entity that is a business trust cannot be wound up voluntarily without the consent of the Authority;
- (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation, unless that

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person has served 14 days' notice in writing of that person's intention to make that application on the Authority;

- (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a designated operating entity that is a corporation without the consent of the Authority;
- (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a designated operating entity that is a corporation without the consent of the Authority;
- (g) a person must not take any step to enforce any security over —
  - (i) the property of a designated operating entity; or
  - (ii) in the case of a designated operating entity that is a business trust — the trust property of the trust,

unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and

- (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a designated operating entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority.
- (2) The Authority must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;
  - (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a designated operating entity that is a company or an unregistered company;
  - (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a designated operating entity that is a limited liability partnership; and
  - (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any designated operating entity that is an entity not mentioned in paragraph (c) or (d).
- (3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

*Subdivision (4) — Remedial directions*

**Remedial directions relating to section 66**

**67E.**—(1) Subsection (2), (3) or (4) applies if —

- (a) the Authority is satisfied that a person (called in this section a defaulter) —
  - (i) has contravened section 66(1) or (3) or failed to comply with a condition imposed on that person under section 66(6); or
  - (ii) has provided false or misleading information or documents in connection with an application for approval under section 66(1) or (3); or
- (b) the Authority would not have granted its approval under section 66(1) or (3) had it been aware, at the



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time of approval, of circumstances relevant to a defaulter's application for such approval.

(2) Where the defaulter is a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity, the Authority may do any one or more of the following:

- (a) direct the defaulter to take such steps as are necessary, within the period specified by the Authority, to cease to be a 5% controller, 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
- (b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (called in this section and section 67F the section 67E(2) equity interests), within such time and subject to such conditions as the Authority considers appropriate;
- (c) restrict or prohibit the transfer or disposal of all or any of the section 67E(2) equity interests, subject to any conditions that the Authority considers appropriate;
- (d) make any other direction that the Authority considers appropriate.

(3) Where, as a result of a person (called in this subsection the transferee) acquiring any equity interests from the defaulter who is a 25% controller, 50% controller or 75% controller of the designated entity (called in this section and section 67F the section 67E(3) equity interests), the defaulter ceases to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity, the Authority may do one or more of the following:

- (a) direct the transferee to take such steps as are necessary, within the period specified by the Authority, to cease to hold all or any of the section 67E(3) equity interests;
- (b) direct the defaulter to take such steps as are necessary within the period specified by the Authority, to

resume being a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;

- (c) direct the acquisition, transfer or disposal of all or any of the section 67E(3) equity interests within such time and subject to such conditions as the Authority considers appropriate;
- (d) restrict or prohibit the transfer or disposal of all or any of the section 67E(3) equity interests, subject to any conditions that the Authority considers appropriate;
- (e) make any other direction that the Authority considers appropriate.

(4) Where the defaulter is an indirect controller of the designated entity, the Authority may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary, within the period specified by the Authority, to cease to be such an indirect controller or to cause the defaulter to cease to be such an indirect controller;
- (b) make any other direction that the Authority considers appropriate.

**Effect of remedial directions issued under section 67E, etc.**

**67F.**—(1) Any direction issued to a person, and any condition imposed, under section 67E(2) or (3) take effect, despite —

- (a) any other written law;
- (b) anything in any listing rules as defined in section 2(1) of the Securities and Futures Act 2001; and
- (c) the provisions of the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in question.

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(2) Without affecting subsection (1), where any direction is issued under section 67E(2) or (3), then, until the direction is carried out or is suspended or revoked —

- (a) the voting rights in respect of the section 67E(2) equity interests or section 67E(3) equity interests that are subject to the direction are not exercisable, unless the Authority expressly permits those rights to be exercised;
- (b) the voting power that the person to whom the direction is issued controls, whether alone or together with that person's associates, in the designated entity is not exercisable, unless the Authority expressly permits that power to be exercised;
- (c) no equity interest in the designated entity is to be issued or offered (whether by way of dividends or otherwise) in respect of the section 67E(2) equity interests or section 67E(3) equity interests that are subject to the direction, unless the Authority expressly permits that issue or offer; and
- (d) no amount may be paid (whether by way of profits, income or otherwise) in respect of the section 67E(2) equity interests or section 67E(3) equity interests that are subject to the direction, unless the Authority expressly authorises such payment.

(3) Subsection (2)(d) does not apply in the event of the winding up, dissolution, termination or deregistration of the designated entity.

### **Remedial directions relating to section 67**

**67G.**—(1) Subsection (2) applies where —

- (a) an individual has been appointed in contravention of section 67(1) or (2), or a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 67(3) or (4);

- (b) any condition of approval imposed under section 67(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the Authority in connection with an application for approval under section 67(1), (2), (3) or (4):
  - (i) a designated entity;
  - (ii) the trustee-manager of a designated entity;
  - (iii) the person mentioned in section 67(4); or
- (d) the Authority would not have granted its approval under section 67(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person's application for such approval.

(2) The Authority may issue a direction to the designated entity or trustee-manager in question (as the case may be) to do as follows (whichever is applicable):

- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (b) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 67I(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership, partnership contract, trust deed or other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to the person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors, a director, or the person's removal as a manager or partner.

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**Remedial directions relating to section 67A**

**67H.**—(1) Subsection (2) applies where —

- (a) a person has contravened section 67A(1); or
- (b) where the Authority has granted its approval under section 67A(1) —
  - (i) any condition of approval imposed under section 67A(4) has not been complied with;
  - (ii) either of the joint applicants mentioned in section 67A(1)(a) or (b) has provided false or misleading information or documents to the Authority in connection with the application for the approval;
  - (iii) the Authority would not have granted its approval under section 67A(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The Authority may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 67A(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or
- (c) issue any other direction that the Authority considers appropriate.

(3) A direction issued under this section (including a direction varied under section 67I(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership, partnership contract, trust deed or other constitution, of the designated operating entity in question.

**Other provisions relating to remedial directions**

**67I.**—(1) Before issuing any direction to a person under section 67E, 67G or 67H, the Authority must —

- (a) unless the Authority decides that it is not practicable or desirable to do so, give the person written notice of the Authority’s intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and
- (b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The Authority may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 67E, 67G or 67H.

(3) Any person who fails to comply with a direction issued by the Authority under section 67E, 67G or 67H (including a direction that is varied under subsection (2)) within the period specified by the Authority shall be guilty of an offence.

*Subdivision (5) — Business continuity*

**Business continuity of designated operating entities**

**67J.**—(1) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must —

- (a) maintain at all times a plan of action (called in this section a business continuity plan) that sets out —
  - (i) the procedures and establishes the systems necessary to restore the reliable and secure provision of any essential transport service provided by or through the entity in the event of any disruption to the operations of the designated operating entity carried out in the course of providing the essential transport service; and

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- (ii) such other matters as the Authority may specify; and
- (b) submit a copy of the business continuity plan to the Authority for the Authority's approval within such time specified by the Authority.
- (2) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must review the business continuity plan —
- (a) at such frequency as the Authority may specify; or
- (b) in the absence of any specification by the Authority under paragraph (a) — once every 5 years.
- (3) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must as soon as practicable notify the Authority of any activation of its business continuity plan and of any action taken or intended to be taken to restore the reliable and secure provision of any essential transport service provided by or through the entity.
- (4) A designated operating entity or, in the case of a designated operating entity that is a business trust, its trustee-manager, must within 14 days or any longer period that may be permitted by the Authority, inform the Authority of any material change to the business continuity plan and must submit a copy of the new or amended business continuity plan for the Authority's approval.
- (5) Any person who contravenes subsection (1), (2), (3) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 12 months or to both.

*Subdivision (6) — Appeals under this Division*

**Appeal to Minister**

**67K.**—(1) Any person who is aggrieved by a decision of the Authority —

- (a) to designate an entity under section 64;

- (b) to refuse to grant an approval required under section 66, 67 or 67A;
- (c) to impose, add to or vary any condition under section 66, 67 or 67A; or
- (d) to issue a direction under section 67E, 67G or 67H or to vary a direction under section 67I(2),

may, within 14 days after being informed of the decision, appeal to the Minister whose decision is final.

(2) Despite the fact that any appeal under subsection (1)(c) is pending in relation to any direction under section 67E, 67G or 67H or any variation of a direction under section 67I(2), that direction or that direction as varied takes effect from the date specified by the Authority, unless the Minister otherwise directs.

### **Designation of others to hear appeals under this Division**

**67L.** The Minister may designate any Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary for his or her Ministry, to hear and determine, in the Minister's place, any appeals or a specific appeal under section 67K; and any reference in that section to the Minister includes a reference to the Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary so designated for that appeal.

#### *Subdivision (7) — Penalties*

### **Penalties under this Division**

**67M.** A person guilty of an offence under this Division (except the offence under section 67J(5)) shall be liable on conviction —

- (a) in the case of an individual — to a fine not exceeding \$500,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$50,000 for every day or part of a day during which the offence continues after conviction; or



(b) in any other case — to a fine not exceeding \$1 million and, in the case of a continuing offence, to a further fine not exceeding \$100,000 for every day or part of a day during which the offence continues after conviction.”.

### **Replacement of Part 7**

24. In the CAAS Act, replace Part 7 with —

“PART 7

SPECIAL ADMINISTRATION ORDERS AND  
SCHEMES OF TRANSFERS, ETC., FOR  
AIRPORT LICENSEES, DESIGNATED  
BUSINESS TRUSTS AND DESIGNATED  
OPERATING ENTITIES

### **Interpretation of this Part**

72.—(1) In this Part —

“business trust”, “trustee-manager”, “unit” and “unitholder” have the meanings given by section 2 of the Business Trusts Act 2004;

“Class 1 designated operating entity” and “Class 2 designated operating entity” have the meanings given by section 56A(1);

“corporation” has the meaning given by section 4(1) of the Companies Act 1967;

“designated business trust” has the meaning given by section 56A(1);

“effective designation date”, in relation to a Class 2 designated operating entity, means the date specified under section 64(3) as the date on which the designation of that entity as a designated operating entity takes effect;

“limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;

“relevant entity” means —

(a) an airport licensee or a designated business trust; or

(b) a Class 2 designated operating entity;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

(a) to avoid doubt, a reference to an airport licensee or a designated business trust includes one that is also a Class 1 designated operating entity;

(b) a reference to the affairs, business, undertaking, operations or activities of a designated business trust or a Class 2 designated operating entity that is a business trust is to the affairs, business, undertaking, operations or activities (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

(c) a reference to the obligations of a designated business trust or a Class 2 designated operating entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

### **Meaning and purposes of special administration order**

**73.**—(1) A special administration order is an order of the Minister made in relation to a relevant entity in accordance with section 74, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the Authority (called in this Part an appointed person) —

(a) for securing one or more of the purposes specified in subsection (2); and

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- (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the entity.
- (2) For the purposes of subsection (1)(a), the purposes are —
- (a) in the case of a relevant entity that is an airport licensee — the security and reliability of the provision of airport services and facilities relating to any airport for which it is licensed;
  - (b) in the case of a relevant entity that is a designated business trust — the security and reliability of the business, undertaking or activities of the designated business trust in relation to any airport (or part thereof) for which the business trust is established;
  - (c) in the case of a relevant entity that is a Class 2 designated operating entity — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore relating to the provision of any essential transport service;
  - (d) the survival of the relevant entity or the whole or any part of the business or undertaking of the relevant entity, as a going concern;
  - (e) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the relevant entity as is necessary to ensure that the following may be properly carried out:
    - (i) in the case of a relevant entity that is an airport licensee — the obligations of the entity in relation to its business, undertaking or activities providing airport services and facilities relating to any airport for which it is licensed;
    - (ii) in the case of a relevant entity that is a designated business trust — the obligations of

- the entity relating to any airport (or part thereof) for which the business trust is established;
- (iii) in the case of a relevant entity that is a Class 2 designated operating entity — the obligations of the entity in relation to its business, undertaking or activities of providing any essential transport service; and
- (f) the carrying out of the obligations of the relevant entity mentioned in paragraph (e)(i), (ii) or (iii) (whichever is applicable) pending the transfer, as a going concern, of the entity's business, undertaking or activities mentioned in paragraph (e)(i), (ii) or (iii) (as the case may be) to any other person or persons.

### **Power to make special administration order and other orders**

74.—(1) If, on an application made to the Minister by the Authority, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to a relevant entity, the Minister may make any one or more of the following orders:

- (a) a special administration order in relation to the relevant entity;
- (b) an order requiring —
- (i) the relevant entity; or
- (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,
- to immediately take any action or to do or not do any act or thing that the Minister considers necessary in relation to —
- (iii) in the case of a relevant entity that is an airport licensee — the business, undertaking or activities of the entity of providing airport

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services and facilities relating to any airport for which it is licensed;

- (iv) in the case of a relevant entity that is a designated business trust — the business, undertaking or activities of the entity relating to any airport (or part thereof) for which the business trust is established; or
  - (v) in the case of a relevant entity that is a Class 2 designated operating entity — the business, undertaking or activities of the entity of providing any essential transport service;
- (c) an order appointing a person (called in this Part an advisor) to advise —
- (i) the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the relevant entity mentioned in paragraph (b)(iii), (iv) or (v), whichever is applicable.

(2) For the purposes of subsection (1), the grounds specified are the following:

- (a) in the case of a relevant entity that is an airport licensee — there has been, is or is likely to be a contravention by the airport licensee of the conditions of its airport licence or this Act that is serious enough to make it inappropriate for the airport licensee to continue to hold the airport licence for that airport;
- (b) the Minister considers it to be in the interest of the security and reliability of the carrying on of the business, undertaking or activities of the relevant entity relating to —
  - (i) in the case of a relevant entity that is an airport licensee — the provision of airport services and

facilities relating to any airport for which it is licensed;

(ii) in the case of a relevant entity that is a designated business trust — any airport (or part thereof) for which the business trust is established; or

(iii) in the case of a relevant entity that is a Class 2 designated operating entity — the provision of any essential transport service by the entity;

(c) the relevant entity is or is likely to be unable to pay its debts;

(d) the Minister considers it to be in the public interest.

(3) No special administration order may be made under this Part in relation to a relevant entity that is a Class 2 designated operating entity before its effective designation date.

(4) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

(5) The Minister may make a special administration order in relation to a relevant entity despite the commencement of (as applicable) —

(a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

(b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;

(c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the relevant entity, being a corporation;

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- (d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the relevant entity, being a company or an unregistered company;
  - (e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the relevant entity, being a limited liability partnership; or
  - (f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the relevant entity, being an entity not mentioned in paragraph (d) or (e).

(6) For the purposes of this section, a relevant entity is unable to pay its debts if —

- (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or
- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.

**Ancillary directions, etc., when special administration order, etc., is made**

**75.**—(1) A special administration order under this Part may specify that —

- (a) the appointed person has such functions and powers in relation to the operations of the relevant entity as are specified in the order;
- (b) the relevant entity or, if the relevant entity is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and
- (c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the relevant entity or, if the relevant entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the relevant entity as are specified in the order.

(2) A special administration order under this Part may also contain ancillary directions that may —

- (a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;
- (b) fix the remuneration and expenses to be paid by the relevant entity or trustee-manager to the appointed person;
- (c) specify the period for which the order under this section applies; and
- (d) specify any other conditions that may apply.

(3) An order under section 74(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the relevant entity or trustee-manager to the advisor.



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**Effect of special administration order and other orders**

**75A.**—(1) Any decision of the Minister under section 74(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

(3) Nothing in Part 5 applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

**Duties of relevant entity or trustee-manager, etc.**

**75B.**—(1) The relevant entity that is the subject of a special administration order under this Part or, in the case of such a relevant entity that is a business trust, its trustee-manager —

- (a) must facilitate the handover of the operations to the appointed person as specified in the order;
- (b) must not obstruct the appointed person's access to property or the exercise by the appointed person of the appointed person's responsibilities under or pursuant to the special administration order; and
- (c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person's responsibilities under or pursuant to the special administration order.

(2) The relevant entity or trustee-manager which fails to comply with subsection (1) or an order under section 74(1)(b) shall be guilty of an offence.

**Transfer of property, etc., of relevant entity under special administration order**

**75C.**—(1) Without limiting sections 73, 74 and 75, a special administration order in relation to a relevant entity may provide for the following matters:

- (a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):
  - (i) the property, rights and liabilities of the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the property of the business trust, and the rights held and the liabilities incurred by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;
- (b) matters that are consequential or related to any such transfer.

(2) Without limiting subsection (1) and sections 73, 74 and 75, where financial assistance has been provided by the Government to an airport licensee or a designated business trust for the purpose of —

- (a) in the case of an airport licensee — maintaining the security and reliability of the provision of airport services and facilities relating to any airport for which it is licensed; or
- (b) in the case of a designated business trust — maintaining the security and reliability of the business, undertaking or activities of the designated business trust relating to any airport (or part thereof) for which the business trust is established,

a special administration order may provide for the following matters:

- (c) the transfer of shares, securities or units in the airport licensee or designated business trust to any of the prescribed transferees (which may or may not be the appointed person);
- (d) matters that are consequential or related to any such transfer, including the extinguishment of rights of any

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specified description to subscribe for, or otherwise acquire, securities of the airport licensee or any of its subsidiaries.

(3) An order providing for any matter mentioned in subsection (1) or (2) may contain any of the prescribed kinds of provisions.

(4) If the Minister makes a special administration order providing for any transfer mentioned in subsection (1) or (2), the Minister must, by notification in the *Gazette*, establish a scheme within the period specified in subsection (5) for determining the amount of any compensation payable by the prescribed transferee to any of the following (whichever is applicable):

- (a) persons who held shares, securities or units immediately before they were transferred;
- (b) persons whose rights of any specified description to subscribe for, or otherwise acquire, shares, securities or units were extinguished;
- (c) the airport licensee, the trustee-manager or unitholders of the designated business trust, or the Class 2 designated operating entity.

(5) For the purposes of subsection (4), the period within which the Minister must establish the scheme mentioned in that subsection is —

- (a) 6 months after the date of the making of the special administration order; or
- (b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the relevant entity or trustee-manager.

(6) A scheme established under subsection (4) may provide for —

- (a) the manner in which any compensation or consideration is to be assessed, including methods

of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;

- (b) the assessment to be made by an independent valuer appointed by the Minister; and
- (c) the remuneration and expenses of the independent valuer.

(7) In this section, “prescribed transferee” means the Authority or a person nominated by the Minister.

### **Regulations for this Part**

**75D.** The Minister may make regulations under section 102 for giving effect to this Part, including —

- (a) regulations governing the transfer of property, rights and liabilities of or in relation to a relevant entity mentioned in section 75C(1)(a) and matters consequential or related to such transfer;
- (b) regulations governing the transfer of shares, securities or units in an airport licensee or a designated business trust mentioned in section 75C(2)(c) and matters consequential or related to such transfer;
- (c) regulations for prescribing any kinds of provisions for the purposes of section 75C(3); and
- (d) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

### **New section 97A**

**25.** In the CAAS Act, after section 97, insert —

#### **“Advisory guidelines**

**97A.—(1)** The Authority may make advisory guidelines about any aspect of airport services and facilities or essential transport services.

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(2) The Authority may also make advisory guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

(3) Advisory guidelines under subsection (1), for example, may be made about —

(a) any matter in respect of which codes of practice and standards of performance may be made under section 44; or

(b) the use, construction, design or performance of anything relating to airport services and facilities or essential transport services.

(4) Advisory guidelines under subsection (2), for example, may be made about —

(a) what amounts to a material function of a designated operating entity for the purposes of section 67B(1)(a); or

(b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 67B(3)(a).

(5) The Authority may make different advisory guidelines under subsection (2) in respect of different persons or entities or different classes of persons or entities.

(6) The Authority must —

(a) give a copy of each advisory guideline it makes to the Minister; and

(b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.

(7) Despite subsection (6)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person

or entity other than the person or entity to which the advisory guideline applies.

(8) The failure to comply with subsection (6) or (7) in respect of any advisory guideline does not invalidate the advisory guideline.”.

### **Amendment of section 98**

**26.** In the CAAS Act, in section 98, after “any of the provisions”, insert “(or any part of any provision)”.

### **New section 101A**

**27.** In the CAAS Act, after section 101, insert —

#### **“Power to amend Third Schedule**

**101A.** The Minister may, by order in the *Gazette*, amend the Third Schedule.”.

### **New Third Schedule**

**28.** In the CAAS Act, after the Second Schedule, insert —

#### **“THIRD SCHEDULE**

Sections 56A and 101A

#### **ESSENTIAL TRANSPORT SERVICES**

The following services and facilities provided to support the operations at Changi Airport:

- (a) airport passenger and cargo operations;
- (b) ground handling operations;
- (c) aerodrome operations;
- (d) passenger and cargo air services;
- (e) aircraft maintenance and maintenance, repair and overhaul (MRO) activities;
- (f) airport fuel storage and hydrant system operations.”.

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PART 3

AMENDMENT OF MARITIME AND PORT  
AUTHORITY OF SINGAPORE ACT 1996

**New section 86AA**

**29.** In the Maritime and Port Authority of Singapore Act 1996 (called in this Part the MPA Act), in Part 12A, before section 86A, insert —

**“Extraterritorial application of this Part**

**86AA.**—(1) Except where otherwise expressly provided, this Part applies to, and in relation to —

- (a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and
- (b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not.

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.”.

**Amendment of section 86A**

**30.** In the MPA Act, in section 86A —

- (a) in subsection (1), delete “, unless the context otherwise requires”;
- (b) in subsection (1), after the definition of “business trust”, insert —

““chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —

- (a) is in the direct employment of, or acting for or by arrangement with, the

designated entity or trustee-manager, as the case may be; and

(b) is principally responsible for the management and conduct of the business of the designated entity or trustee-manager, as the case may be,

and includes any individual for the time being performing all or any of the functions of a chief executive officer;

“commencement date” means the date of commencement of section 33 of the Transport Sector (Critical Firms) Act 2024;”;

(c) in subsection (1), replace the definitions of “designated business trust” and “designated equity interest holder” with —

““designated entity” means a designated equity interest holder or a designated operating entity;

“designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 86D, and includes an entity that was designated as such under that section as in force immediately before the commencement date and which designation as such had not been revoked before that date;”;

(d) in subsection (1), replace the definition of “designated public licensee” with —

““designated operating entity” means —

(a) an entity that has been designated as a designated operating entity under section 86D on or after the commencement date; or

(b) an entity that was designated as a designated public licensee or designated business trust under



section 86D as in force immediately before the commencement date, and which designation as such had not been revoked before that date;”;

(e) in subsection (1), replace the definition of “entity” with —  
““effective designation date”, in relation to a designated entity, means —

(a) in the case of an entity that has been designated as a designated operating entity or designated equity interest holder under section 86D on or after the commencement date — the date specified under section 86D(3) on which the designation takes effect; or

(b) in the case of a designated entity that was designated as a designated public licensee, designated business trust or designated equity interest holder under section 86D as in force immediately before the commencement date, and which designation as such had not been revoked before that date — the last day of the period of 14 days after that date;

“entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;”;

(f) in subsection (1), in the definition of “equity interest”, in paragraphs (a) and (b), replace “body corporate” wherever it appears with “corporation”;

(g) in subsection (1), after the definition of “equity interest”, insert —

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“essential transport service” means —

- (a) any marine services and facilities;
- (b) any port services and facilities; or
- (c) any service specified or described in the Third Schedule —
  - (i) for, or to support, the provision of sea transport; or
  - (ii) the provision of which by any person is prohibited under any written law unless the person is —
    - (A) licensed, approved, authorised, permitted, recognised, registered or otherwise allowed by the Authority to provide the service; or
    - (B) exempted for the purposes of the service;”;
- (h) in subsection (1), replace the definition of “indirect controller” with —

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

  - (a) whose directions, instructions or wishes —
    - (i) the directors or other officers of the designated entity; or

- (ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

- (b) who is in a position to determine the policy of the designated entity,

but does not include —

- (c) any person who is —

- (i) a director or other officer of the designated entity; or

- (ii) the trustee-manager (in the case of a designated entity that is a business trust); or

- (d) any person whose directions, instructions or wishes —

- (i) the directors or other officers of the designated entity; or

- (ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed to act in accordance with by reason only that the acting is on advice given by the person in that person's professional capacity;

“licensed service” means a service or facility provided under a licence issued by the Authority under any written law;”;

- (i) in subsection (1), after the definition of “unit”, insert —

““unitholder” means a person who holds units in a business trust;”;

(j) replace subsection (2) with —

“(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

(a) a general meeting of the designated entity;  
or

(b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.”; and

(k) after subsection (3), insert —

“(4) In this Part —

(a) a reference to a chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;

(b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

(c) a reference to a condition imposed by the Authority includes a condition added or varied by the Authority.”.

### **Amendment of section 86B**

**31.** In the MPA Act, in section 86B —

(a) in subsection (1)(a), replace “subsections (2) to (7)” with “subsections (2) to (8)”;

(b) in subsection (6), replace paragraph (d) with —

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“(d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —

(i) a general meeting of the designated entity; or

(ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,

to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.”; and

(c) after subsection (7), insert —

“(8) An equity interest is not to be disregarded by reason only of —

(a) its remoteness;

(b) the manner in which it arose; or

(c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.”.

### **Amendment of section 86C**

**32.** In the MPA Act, in section 86C(1) —

(a) in paragraph (q), delete “or” at the end; and

(b) replace paragraph (r) with —

“(r) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters:

- (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;
- (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;
- (iii) the power of *A* and *B*, by acting together, to appoint or remove —
  - (A) a director of a designated entity; or
  - (B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the designated entity;
- (iv) the situation where one or more of the directors of —
  - (A) a designated entity; or
  - (B) in the case of an entity that is a business trust — the trustee-manager of the business trust,  
are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;
- (s) *A* controls more than half of the voting power of a holding company of *B*;
- (t) *B* controls more than half of the voting power of a holding company of *A*; or

- (u) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 119.”.

### Replacement of section 86D

33. In the MPA Act, replace section 86D with —

#### **“Designation of designated operating entities and designated equity interest holders**

**86D.**—(1) The Authority may by notification in the *Gazette* —

- (a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is provided in Singapore, as a designated operating entity; or
- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the Authority considers that the designation is necessary in the public interest.

(2) The Authority must inform the Minister of the Authority’s decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) —

- (a) must specify the date on which the designation as a designated operating entity or designated equity interest holder (as the case may be) takes effect; and
- (b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The Authority may by notification in the *Gazette* cancel a designation at any time.”.

**Amendment of section 86E**

**34.** In the MPA Act, in section 86E, replace subsection (1) with —

“(1) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the Authority of that fact.”.

**Amendment of section 86F**

**35.** In the MPA Act, in section 86F —

(a) replace subsections (1) to (6) with —

“(1) Except with the prior written approval of the Authority, a person must not —

(a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date; or

(b) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

(2) Subsection (1) does not apply if the transaction through which a person becomes a 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

(3) A person must not become an indirect controller of a designated entity on or after the effective



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designation date unless the person has obtained the prior written approval of the Authority.

(4) The Authority may approve an application under subsection (1)(a) or (3) if the Authority is satisfied that —

- (a) the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the Authority, are fit and proper persons;
- (b) in the case where any of the essential transport services provided by the following (whichever is applicable) is a licensed service — the provision of the service by the same will continue to be reliable, efficient, economical and safe (with reference to recognised international standards and any applicable conditions of licence, directions, codes or standards issued or set by the Authority):
  - (i) the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;
  - (ii) the trustee-manager of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;
  - (iii) in the case where the person is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated

operating entity, in relation to which the designated equity interest holder is so designated;

(c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the Authority, the following requirements are met:

(i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

(ii) if the designated entity is a designated equity interest holder —

(A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue

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to comply with the provisions  
of this Act; and

(d) it is in the public interest to do so.

(5) The Authority may approve an application under subsection (1)(b) if the Authority is satisfied that —

(a) in the case where any of the essential transport services provided by the following (whichever is applicable) is a licensed service — the provision of the service by the same will continue to be reliable, efficient, economical and safe (with reference to recognised international standards and any applicable conditions of licence, directions, codes or standards issued or set by the Authority):

(i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

(ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;

(iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;

(b) in the case where the person is a 25% controller, 50% controller or 75%

controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;

(c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —

(i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(6) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.”;

- (b) in subsection (7), after “memorandum or articles of association”, insert “, limited liability partnership agreement, partnership contract”;
- (c) delete subsection (8); and
- (d) in subsection (9), after “subsection (1) or (3)”, insert “, or who fails to comply with any condition imposed under subsection (6),”.

### **New sections 86FA to 86FD**

**36.** In the MPA Act, after section 86F, insert —

**“Appointment of chief executive officer, chairperson, director, etc., of designated entity**

**86FA.**—(1) A licensee-designated operating entity or, in the case of a licensee-designated operating entity that is a business trust, its trustee-manager, must not, on or after the effective designation date, appoint an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the licensee-designated operating entity or its trustee-manager (as the case may be) has obtained the prior written approval of the Authority.

(2) Each of the following persons must not, on or after the effective designation date, appoint an individual as its chief executive officer or the chairperson of its board of directors unless the person has obtained the prior written permission of the Authority:

- (a) a non-licensee-designated operating entity or, in the case of a non-licensee-designated operating entity that is a business trust, its trustee-manager;
- (b) a designated equity interest holder or, in the case of a designated equity interest holder that is a business trust, its trustee-manager.

(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the

designated entity has obtained the prior written approval of the Authority.

(4) A person must not, on or after the effective designation date, become a partner in a partnership that is a designated entity unless the person has obtained the prior written approval of the Authority.

(5) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

(7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

(8) In this section —

(a) a reference to a “licensee-designated operating entity” is to a designated operating entity that is also —

(i) the holder of a licence to provide any licensed service that is an essential transport service; or

(ii) a business trust through which a trustee-manager provides any licensed service that is an essential transport service; and

(b) a reference to a “non-licensee-designated operating entity” is to a designated operating entity that is not a licensee-designated operating entity.

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**Acquisition of business of designated operating entity as going concern**

**86FB.**—(1) A person must not, on or after the effective designation date, acquire as a going concern, a designated operating entity’s business of providing any essential transport service (or any part of such business) unless —

- (a) the person; and
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the Authority.

(2) An application for the Authority’s approval under subsection (1) must be —

- (a) made jointly by the persons mentioned in subsection (1)(a) and (b); and
- (b) made in such form and manner as the Authority may specify.

(3) The Authority may approve an application under subsection (1) if the Authority is satisfied that —

- (a) the person acquiring the business or part is a fit and proper person;
- (b) where any of the essential transport service mentioned in subsection (1) is a licensed service — after the acquisition, the provision of the essential transport service will continue to be reliable, efficient, economical and safe (with reference to recognised international standards and any applicable conditions of licence, directions, codes or standards issued or set by the Authority);
- (c) in the case where after the acquisition, the designated operating entity continues to carry out part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its

trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(4) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

### **Occurrence of certain events**

**86FC.**—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of any of the following agreements at least 14 days before entering into the agreement:

(a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;

(b) any agreement prescribed under section 119.

(2) Subsection (1) does not apply in relation to any agreement entered into by a designated entity before the expiry of 14 days after the effective designation date.



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(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

- (a) in the case of a designated entity that is a designated operating entity —
  - (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or
  - (ii) any other event or any irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;
- (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;
- (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
  - (i) being wound up or subject to any receivership or judicial management order; or
  - (ii) entering into a compromise or scheme of arrangement;
- (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;
- (e) any other event prescribed under section 119.

(4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The Authority may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the occurrence of an event, direct the designated entity or trustee-manager in question to submit to the Authority any information or document relating to the agreement or event within the period specified by the Authority.

(6) Any person who —

- (a) contravenes subsection (1) or (3);
- (b) fails to comply with a direction of the Authority under subsection (5); or
- (c) submits any false or misleading information or document in compliance or purported compliance with a direction of the Authority under subsection (5),

shall be guilty of an offence.

### **Duty of designated entity or trustee-manager to report changes of equity and control of certain persons**

**86FD.**—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

- (a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;
  - (b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
  - (c) a person has, on or after the effective designation date, become an indirect controller of the designated entity;
- or

- (d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business),

the designated entity or trustee-manager (as the case may be) must inform the Authority in writing within 7 days after becoming aware of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.”.

### **Amendment of section 86G**

**37.** In the MPA Act, in section 86G —

(a) replace the section heading with “**Remedial directions relating to section 86F**”;

(b) replace subsection (1) with —

“(1) Subsection (2), (3) or (4) applies if —

(a) the Authority is satisfied that a person (called in this section a defaulter) —

(i) has contravened section 86F(1) or (3) or failed to comply with a condition imposed on that person under section 86F(6); or

(ii) has provided false or misleading information or documents in connection with an application for approval under section 86F(1) or (3); or

(b) the Authority would not have granted its approval under section 86F(1) or (3) had it been aware, at the time of approval, of circumstances relevant to a defaulter’s application for such approval.”;

- (c) in subsection (2), replace “Where a defaulter is a 25% controller or 50% controller” with “Where a defaulter is a 25% controller, 50% controller or 75% controller”;
- (d) in subsection (2)(a), replace “a 25% controller or 50% controller” with “a 25% controller, 50% controller or 75% controller”;
- (e) in subsections (2)(c) and (3)(d), after “restrict”, insert “or prohibit”;
- (f) in subsection (3), replace “who is a 50% controller or 75% controller” with “who is a 25% controller, 50% controller or 75% controller”;
- (g) in subsection (3), replace “ceases to be a 50% controller or 75% controller” with “ceases to be a 25% controller, 50% controller or 75% controller”;
- (h) in subsection (3)(b), replace “a 50% controller or 75% controller” with “a 25% controller, 50% controller or 75% controller”; and
- (i) delete subsections (5) to (9).

### **Amendment of section 86H**

**38.** In the MPA Act, in section 86H —

- (a) in the section heading, after “**remedial directions**”, insert “**issued under section 86G**”;
- (b) in subsection (1), replace paragraph (a) with —  
“(a) any other written law;”;
- (c) in subsection (1)(c), after “memorandum or articles of association”, insert “, limited liability partnership agreement, partnership contract”; and
- (d) in subsection (3), replace “a winding up” with “the winding up, dissolution, termination or deregistration”.

### **New sections 86HA to 86HE**

**39.** In the MPA Act, after section 86H, insert —

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**“Remedial directions relating to section 86FA**

**86HA.**—(1) Subsection (2) applies where —

- (a) an individual has been appointed in contravention of section 86FA(1) or (2), or a person has been appointed as a manager of or becomes a partner in a designated entity in contravention of section 86FA(3) or (4);
- (b) any condition of approval imposed under section 86FA(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the Authority in connection with an application for approval under section 86FA(1), (2), (3) or (4):
  - (i) a designated entity;
  - (ii) the trustee-manager of a designated entity;
  - (iii) the person mentioned in section 86FA(4); or
- (d) the Authority would not have granted its approval under section 86FA(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person’s application for such approval.

(2) The Authority may issue a direction to the designated entity or trustee-manager (as the case may be) to do as follows (whichever is applicable):

- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (b) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 86HC(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or

other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to the person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors, a director, or the person's removal as a manager or partner.

### **Remedial directions relating to section 86FB**

**86HB.**—(1) Subsection (2) applies where —

- (a) a person has contravened section 86FB(1); or
- (b) where the Authority has granted its approval under section 86FB(1) —
  - (i) any condition of approval imposed under section 86FB(4) has not been complied with;
  - (ii) either of the joint applicants mentioned in section 86FB(1)(a) or (b) has provided false or misleading information or documents to the Authority in connection with the application for the approval; or
  - (iii) the Authority would not have granted its approval under section 86FB(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The Authority may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 86FB(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or

(c) issue any other direction that the Authority considers appropriate.

(3) A direction issued under this section (including a direction varied under section 86HC(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity in question.

### **Other provisions relating to remedial directions**

**86HC.**—(1) Before issuing any direction to a person under section 86G, 86HA or 86HB, the Authority must —

- (a) unless the Authority decides that it is not practicable or desirable to do so, give the person written notice of the Authority's intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and
- (b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The Authority may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 86G, 86HA or 86HB.

(3) Any person who fails to comply with a direction issued by the Authority under section 86G, 86HA or 86HB (including a direction that is varied under subsection (2)) within the period specified by the Authority shall be guilty of an offence.

### **Appeals to Minister under this Part**

**86HD.**—(1) Any person who is aggrieved by a decision of the Authority —

- (a) to designate an entity under section 86D;
- (b) to refuse to grant an approval required under section 86F, 86FA or 86FB;

(c) to impose, add to or vary any condition under section 86F, 86FA or 86FB; or

(d) to issue a direction under section 86G, 86HA or 86HB or to vary a direction under section 86HC,

may, within 14 days after being informed of the decision, appeal to the Minister whose decision is final.

(2) An appeal against the Authority’s decision does not affect the operation of the decision appealed against or prevent the taking of action to implement the decision, and unless otherwise directed by the Minister, the decision appealed against must be complied with until the determination of the appeal.

### **Designation of others to hear appeals under this Part**

**86HE.** The Minister may designate any Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary for his or her Ministry, to hear and determine, in the Minister’s place, any appeals or a specific appeal under section 86HD; and any reference in that section to the Minister includes a reference to the Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary so designated for that appeal.”.

### **Replacement of Part 13**

**40.** In the MPA Act, replace Part 13 with —

“PART 13

CONTROL OF DESIGNATED LICENSEES  
AND DESIGNATED OPERATING ENTITIES

### **Interpretation of this Part**

**87.—(1)** In this Part —

“business trust”, “trustee-manager” and “unitholder” have the meanings given by section 2 of the Business Trusts Act 2004;

“corporation” has the meaning given by section 4(1) of the Companies Act 1967;



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- “designated operating entity”, “entity” and “licensed service” have the meanings given by section 86A(1);
- “designated licensee” means a licensee that has been designated under section 88 as a designated licensee;
- “effective designation date”, in relation to a designated operating entity, means the date specified under section 86D(3) as the date on which the designation of that entity as a designated operating entity takes effect;
- “licensee” means the holder of any licence issued by the Authority under any written law;
- “limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;
- “relevant entity” means a designated licensee or a designated operating entity;
- “unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

- (a) a reference to the affairs, business, undertaking, operations or activities of a relevant entity that is a business trust is to the affairs, business, undertaking, operations or activities carried on by the trustee-manager of the business trust on behalf of the business trust; and
- (b) a reference to the obligations of a relevant entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

**Designation of designated licensees for this Part**

**88.** The Authority may, after consultation with the Minister, by notification in the *Gazette*, designate a licensee that is not a designated operating entity as a designated licensee for the

purposes of this Part if the Authority considers that the designation is necessary in the public interest.

### **Meaning and purposes of special administration order**

**89.**—(1) A special administration order is an order of the Minister made in relation to a relevant entity in accordance with section 89A, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the Authority (called in this Part an appointed person) —

- (a) for securing one or more of the purposes specified in subsection (2); and
  - (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the relevant entity.
- (2) For the purposes of subsection (1)(a), the purposes are —
- (a) in the case of a relevant entity that is a designated licensee — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore of providing any licensed service;
  - (b) in the case of a relevant entity that is a designated operating entity — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore of providing any essential transport service;
  - (c) the survival of the relevant entity or the whole or any part of the business or undertaking of the relevant entity, as a going concern;
  - (d) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the relevant entity as is necessary to ensure that the following may be properly carried out:

- (i) in the case of a relevant entity that is a designated licensee — the obligations of the entity in carrying out its business, undertaking or activities of providing any licensed service;
  - (ii) in the case of a relevant entity that is a designated operating entity — the obligations of the entity in carrying out its business, undertaking or activities of providing any essential transport service; and
- (e) the carrying out of the obligations of the relevant entity mentioned in paragraph (d)(i) or (ii) (whichever is applicable) pending the transfer, as a going concern, of the entity's business, undertaking or activities mentioned in paragraph (d)(i) or (ii) (as the case may be) to any other person or persons.

**Power to make special administration order and other orders**

**89A.**—(1) If, on an application made to the Minister by the Authority, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to that relevant entity, the Minister may make any one or more of the following orders:

- (a) a special administration order in relation to the relevant entity;
- (b) an order requiring —
  - (i) the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

to immediately take any action or to do or not do any act or thing where the Minister considers that the action or the doing or not doing of that act or thing is necessary for —

- (iii) in the case of a relevant entity that is a designated licensee — the business, undertaking or activities of the entity of providing any licensed service; or
  - (iv) in the case of a relevant entity that is a designated operating entity — the business, undertaking or activities of the entity of providing any essential transport service;
- (c) an order appointing a person (called in this Part an advisor) to advise —
- (i) the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the relevant entity mentioned in paragraph (b)(iii) or (iv), whichever is applicable.

(2) For the purposes of subsection (1), the grounds specified are the following:

- (a) in the case of a relevant entity that is a designated licensee — there has been, is or is likely to be a contravention by the relevant entity of the conditions of its licence or this Act that is serious enough to make it inappropriate for the entity to continue to provide the service or facility under the licence;
- (b) the Minister considers it to be in the interest of the security and reliability of the carrying on of the business, undertaking or activities of the relevant entity relating to —
  - (i) in the case of a relevant entity that is a designated licensee — the provision of any licensed service by the entity; or

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- (ii) in the case of a relevant entity that is a designated operating entity — the provision of any essential transport service by the entity;
  - (c) the relevant entity is or is likely to be unable to pay its debts;
  - (d) the Minister considers it in the public interest.
- (3) No special administration order may be made under this Part in relation to a relevant entity that is a designated operating entity before its effective designation date.
- (4) Subsection (3) does not apply in relation to a relevant entity which, immediately before its designation as a designated operating entity under section 86D, is a designated licensee.
- (5) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.
- (6) The Minister may make a special administration order in relation to a relevant entity despite the commencement of (as applicable) —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;
  - (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;
  - (c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the relevant entity, being a corporation;
  - (d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the relevant entity, being a company or an unregistered company;

- (e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the relevant entity, being a limited liability partnership; or
- (f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the relevant entity, being an entity not mentioned in paragraph (d) or (e).

(7) For the purposes of this section, a relevant entity is unable to pay its debts if —

- (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor's lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or
- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.

**Ancillary directions, etc., when special administration order, etc., is made**

**89B.**—(1) A special administration order under this Part may specify that —

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- (a) the appointed person has such functions and powers in relation to the operations of the relevant entity as are specified in the order;
  - (b) the relevant entity or, in the case of a relevant entity that is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and
  - (c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the relevant entity or, if the relevant entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the relevant entity as are specified in the order.

(2) A special administration order under this Part may also contain ancillary directions that may —

- (a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;
- (b) fix the remuneration and expenses to be paid by the relevant entity or trustee-manager to the appointed person;
- (c) specify the period for which the order under this section applies; and
- (d) specify any other conditions that may apply.

(3) An order under section 89A(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the relevant entity or trustee-manager to the advisor.

### **Effect of special administration order and other orders**

**89C.**—(1) Any decision of the Minister under section 89A(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

(3) Nothing in Part 12 or 12A applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

**Duties of relevant entity or trustee-manager, etc.**

**89D.**—(1) The relevant entity that is the subject of a special administration order under this Part or, in the case of such a relevant entity that is a business trust, its trustee-manager —

- (a) must facilitate the handover of the operations to the appointed person as specified in the order;
- (b) must not obstruct the appointed person’s access to property or the exercise by the appointed person of the appointed person’s responsibilities under or pursuant to the special administration order; and
- (c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person’s responsibilities under or pursuant to the special administration order.

(2) The relevant entity or trustee-manager which fails to comply with subsection (1) or an order under section 89A(1)(b) shall be guilty of an offence.

**Transfer of property, etc., under special administration order made under this Part**

**89E.**—(1) Without limiting sections 89, 89A and 89B, a special administration order under this Part may provide for the following matters:

- (a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):
  - (i) the property, rights and liabilities of a relevant entity;
  - (ii) in the case of a relevant entity that is a business trust — the property of the business trust, and



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the rights held and the liabilities incurred by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

(b) matters that are consequential or related to any such transfer.

(2) If the Minister makes a special administration order providing for any matter mentioned in subsection (1), the Minister must, by notification in the *Gazette*, establish a scheme within the following period for determining the amount of any compensation payable by the prescribed transferee to the relevant entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities:

(a) 6 months after the date of the making of the special administration order;

(b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the relevant entity or trustee-manager.

(3) A scheme established under subsection (2) may provide for —

(a) the manner in which any compensation or consideration is to be assessed, including methods of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;

(b) the assessment to be made by an independent valuer appointed by the Minister; and

(c) the remuneration and expenses of the independent valuer.

(4) In this section, “prescribed transferee” means the Authority or a person nominated by the Minister.

**Restrictions on voluntary winding up, etc., of relevant entities**

**89F.**—(1) Despite any other written law —

- (a) a relevant entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the Authority;
- (b) a relevant entity that is a partnership cannot be dissolved —
  - (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner’s intention to dissolve the partnership; or
  - (ii) by the partners agreeing to dissolve the partnership,without the consent of the Authority;
- (c) a relevant entity that is a business trust cannot be wound up voluntarily without the consent of the Authority;
- (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a relevant entity that is a corporation, unless that person has served 14 days’ notice in writing of that person’s intention to make that application on the Authority;
- (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a relevant entity that is a corporation without the consent of the Authority;
- (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a relevant entity that is a corporation without the consent of the Authority;

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- (g) a person must not take any step to enforce any security over —
- (i) the property of a relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the trust property of the trust,
- unless that person has served 14 days’ notice in writing of that person’s intention to take that step on the Authority; and
- (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a relevant entity unless that person has served 14 days’ notice in writing of that person’s intention to take that step on the Authority.
- (2) The Authority must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a relevant entity that is a corporation;
  - (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a relevant entity that is a corporation;
  - (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a relevant entity that is a company or an unregistered company;
  - (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a relevant entity that is a limited liability partnership; and
  - (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any

relevant entity that is an entity not mentioned in paragraph (c) or (d).

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

### **Regulations for this Part**

**89G.** The Minister may make regulations for giving effect to this Part, including —

- (a) regulations governing the transfer of property, rights and liabilities of or in relation to a relevant entity mentioned in section 89E(1)(a) and matters consequential or related to such transfer; and
- (b) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

### **New section 117A**

**41.** In the MPA Act, after section 117, insert —

#### **“Advisory guidelines**

**117A.—**(1) The Authority may make guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

- (2) Advisory guidelines, for example, may be made about —
- (a) what amounts to a material function of a designated operating entity for the purposes of section 86FC(1)(a); or
  - (b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 86FC(3)(a).

(3) The Authority may make different advisory guidelines under subsection (1) in respect of different persons or entities or different classes of persons or entities.

(4) The Authority must —

(a) give a copy of each advisory guideline it makes to the Minister; and

(b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.

(5) Despite subsection (4)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person or entity other than the person or entity to which the advisory guideline applies.

(6) The failure to comply with subsection (4) or (5) in respect of any advisory guideline does not invalidate the advisory guideline.”.

### **Amendment of section 118**

**42.** In the MPA Act, in section 118(1), after “any of the provisions”, insert “(or any part of any provision)”.

### **New section 118A**

**43.** In the MPA Act, after section 118, insert —

#### **“Power to amend Third Schedule**

**118A.** The Minister may, by order in the *Gazette*, amend the Third Schedule.”.

### **New Third Schedule**

**44.** In the MPA Act, after the Second Schedule, insert —

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“THIRD SCHEDULE

Sections 86A and 118A

SERVICES FOR PURPOSES OF  
PARAGRAPH (c) OF DEFINITION OF  
“ESSENTIAL TRANSPORT SERVICE”

1. Monitoring and management of shipping traffic.
2. Bunker supply and delivery.
3. Salvage operations.
4. Passenger ferry operations.”.

**Miscellaneous amendments**

**45. In the MPA Act —**

- (a) in Part 12A, in the Part heading, replace “DESIGNATED PUBLIC LICENSEES, DESIGNATED BUSINESS TRUSTS” with “DESIGNATED OPERATING ENTITIES”;
- (b) in the following provisions, replace “designated public licensee, designated business trust” wherever it appears with “designated operating entity”:
  - Section 86A(1) (definitions of “5% controller”, “25% controller”, “50% controller” and “75% controller”)
  - Section 86E(4)(a) and (b)
  - Section 86F(7) and (11)(a) and (b)
  - Section 86G(2), (3) and (4)
  - Section 86H(1)(c), (2)(b) and (c) and (3);
- (c) in section 86C, replace the section heading with —
  - “Meanings of “associate”, “related corporation”, “subsidiary” and “holding company””;**
- (d) in the following provisions, delete “and the holding of equity interests or the control of voting power by the accused in the designated public licensee, designated

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business trust or designated equity interest holder, as the case may be”:

Section 86F(10)(c) and (11)(d);

- (e) in the following provisions, replace “for the compliance of” with “for compliance with”:

Section 86F(10)(c)(ii), (11)(d)(ii) and (12)(c)(ii); and

- (f) in section 86F(12)(c), delete “and the accused becoming an indirect controller of the designated public licensee, designated business trust or designated equity interest holder, as the case may be”.

## PART 4

### AMENDMENT OF RAPID TRANSIT SYSTEMS ACT 1995

#### **Amendment of long title**

**46.** In the Rapid Transit Systems Act 1995 (called in this Part the RTS Act), in the long title, replace “, to transfer the functions, assets and liabilities of the Mass Rapid Transit Corporation to the Land Transport Authority of Singapore” with “and the control of entities providing essential transport services and their equity interest holders”.

#### **Amendment of section 2**

**47.** In the RTS Act, in section 2 —

- (a) delete “, unless the context otherwise requires”;

- (b) after the definition of “Authority”, insert —

““business trust” and “trustee-manager” have the meanings given by section 2 of the Business Trusts Act 2004;”;

- (c) replace the definition of “Corporation” with —

““corporation” has the meaning given by section 4(1) of the Companies Act 1967;

“designated entity” means a designated equity interest holder or a designated operating entity;

“designated equity interest holder” means an entity that has been designated as a designated equity interest holder under section 21E;

“designated operating entity” means an entity that has been designated as a designated operating entity under section 21E;

“effective designation date”, in relation to a designated entity, means the date specified under section 21E(3) as the date on which the designation of that entity as a designated operating entity or designated equity interest holder (as the case may be) takes effect;

“entity” means any sole proprietorship, partnership, corporation or other body of persons, whether corporate or unincorporate, and includes a business trust;

“essential transport service” means —

(a) the service of operating or maintaining any rapid transit system; or

(b) any service specified or described in the Schedule which is necessary —

(i) for the continuity of; or

(ii) for supporting,

the operation of any rapid transit system;”.

### **Amendment of section 16**

**48.** In the RTS Act, in section 16(5)(a), replace “period mentioned in section 20(1)” with “period prescribed for the purposes of section 28(3)”.



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**Amendment of section 18A**

**49.** In the RTS Act, in section 18A —

(a) after subsection (1), insert —

“(1A) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.”; and

(b) after subsection (7), insert —

“(7A) This section does not apply to or in relation to any licensee that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”.

**Amendment of section 19**

**50.** In the RTS Act, in section 19(1), after paragraph (e), insert —

“(ea) fails to comply with any condition of approval under section 18A;”.

**Replacement of section 20**

**51.** In the RTS Act, replace section 20 with —

**“Restrictions on voluntary winding up, etc., of licensees**

**20.—**(1) Despite any other written law —

(a) a licensee cannot be wound up without the consent of the Authority;

(b) a person must not make an application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a licensee without the consent of the Authority;

- (c) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a licensee without the consent of the Authority;
  - (d) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a licensee without the consent of the Authority;
  - (e) a person must not take any step to enforce any security over the property of a licensee unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and
  - (f) a person must not take any step to execute or enforce any judgment or order of court against a licensee unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority.
- (2) The Authority must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a licensee;
  - (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a licensee; and
  - (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 for the winding up of the affairs of a licensee.
- (3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Authority in those proceedings.

(4) This section does not apply to or in relation to any licensee that has been designated as a designated operating entity, starting on its effective designation date and while it remains so designated.”.

### **New Part 3A**

**52.** In the RTS Act, after Part 3, insert —

#### **“PART 3A**

#### **CONTROL OF DESIGNATED ENTITIES**

##### *Division 1 — Preliminary*

#### **Extraterritorial application of this Part**

**21A.**—(1) Except where otherwise expressly provided, this Part applies to, and in relation to —

- (a) all individuals, whether resident in Singapore or not and whether citizens of Singapore or not; and
- (b) all bodies corporate or unincorporate, whether incorporated, formed, established, or carrying on business in Singapore or not.

(2) Every person who, outside Singapore, commits an act or omission that, if committed in Singapore, would constitute an offence under this Part, is deemed to commit the act or omission in Singapore and may be proceeded against, charged, tried and punished accordingly.

#### **Interpretation of this Part**

**21B.**—(1) In this Part —

“5% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

- (a) holds 5% or more, but less than 25%, of the total equity interests in that designated entity; or

(b) is in a position to control 5% or more, but less than 25%, of the voting power in that designated entity;

“25% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 25% or more, but less than 50%, of the total equity interests in that designated entity; or

(b) is in a position to control 25% or more, but less than 50%, of the voting power in that designated entity;

“50% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 50% or more, but less than 75%, of the total equity interests in that designated entity; or

(b) is in a position to control 50% or more, but less than 75%, of the voting power in that designated entity;

“75% controller”, in relation to a designated entity, means a person who, alone or together with that person’s associates —

(a) holds 75% or more of the total equity interests in that designated entity; or

(b) is in a position to control 75% or more of the voting power in that designated entity;

“acquisition” includes an agreement to acquire, but does not include —

(a) an acquisition by will or by operation of law; or

(b) an acquisition by way of enforcement of a loan security;

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- “arrangement” includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;
- “chief executive officer”, in relation to a designated entity or the trustee-manager of a designated entity, means an individual (by whatever name called) who —
- (a) is in the direct employment of, or acting for or by arrangement with, the designated entity or trustee-manager, as the case may be; and
  - (b) is principally responsible for the management and conduct of the business of the designated entity or trustee-manager, as the case may be,
- and includes any individual for the time being performing all or any of the functions of a chief executive officer;
- “control” includes control as a result of, or by means of, any trust, agreement, arrangement, understanding or practice, whether or not having legal or equitable force and whether or not based on legal or equitable rights;
- “decrease”, in relation to the holding of equity interests, includes a decrease to a point of nil;
- “director” has the meaning given by section 4(1) of the Companies Act 1967;
- “equity interest” —
- (a) in relation to a corporation — means a voting share in that corporation;
  - (b) in relation to an entity other than a corporation — means any right or interest, whether legal or equitable, in that entity (by whatever name called) which gives the holder of that right or interest voting power in that entity; and

(c) in relation to a business trust — means a unit in that business trust;

“increase”, in relation to the holding of equity interests, includes an increase from a starting point of nil;

“indirect controller”, in relation to a designated entity, means any person, whether acting alone or together with any other person, and whether with or without holding equity interests or controlling the voting power in the designated entity —

(a) whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed or under an obligation, whether formal or informal, to act in accordance with; or

(b) who is in a position to determine the policy of the designated entity,

but does not include —

(c) any person who is —

(i) a director or other officer of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust);  
or

(d) any person whose directions, instructions or wishes —

(i) the directors or other officers of the designated entity; or

(ii) the trustee-manager (in the case of a designated entity that is a business trust),

is accustomed to act in accordance with by reason only that the acting is on advice given by the person in that person's professional capacity;

“limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;

“liquidator” includes the Official Receiver when acting as the liquidator of a corporation;

“officer”, in relation to a corporation, includes —

(a) a director or secretary of, or a person employed in an executive capacity by, the corporation;

(b) any receiver or manager, or any receiver and manager, of any part of the undertaking of the corporation, appointed under a power contained in any instrument or by the General Division of the High Court or by creditors;

(c) any liquidator of the corporation appointed in a voluntary winding up or by the General Division of the High Court or by creditors; and

(d) any judicial manager of the corporation appointed under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018;

“Official Receiver” has the meaning given by section 2(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“related corporation”, in relation to a corporation, means another corporation that is deemed under section 21D(2) to be related to that corporation;

“share”, in relation to a corporation, means a share in the share capital of the corporation and includes stock into

which all or any of the share capital of the corporation has been converted;

“treasury share” has the meaning given by section 4(1) of the Companies Act 1967;

“unit” has the meaning given by section 2 of the Business Trusts Act 2004;

“unitholder” means a person who holds units in a business trust;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018;

“voting share” has the meaning given by section 4(1) of the Companies Act 1967 but does not include a treasury share.

(2) A reference in this Part to the control of a percentage of the voting power in a designated entity is to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in —

- (a) a general meeting of the designated entity; or
- (b) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust.

(3) In ascertaining a person’s control of the percentage of the total number of votes that might be cast at a general meeting mentioned in subsection (2), the number of votes that the person is entitled to cast at the meeting by reason of having been appointed a proxy or representative to vote at the meeting is to be disregarded.

(4) In this Part —

- (a) a reference to the chairperson of a board of directors includes an individual (by whatever name called) acting in that capacity;



- (b) a reference to the business or operations of an entity that is a business trust is to the business or operations (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and
- (c) a reference to a condition imposed by the Authority includes a condition added or varied by the Authority.

### **What holding an equity interest means**

**21C.**—(1) In this Part, a person holds an equity interest if the person —

- (a) has or is deemed to have an equity interest in accordance with subsections (2) to (8); or
- (b) otherwise has a legal or equitable interest in that equity interest,

except for any interest prescribed under section 45 as an interest that is to be disregarded.

(2) Subject to subsection (3), a person has an equity interest if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, that equity interest.

(3) It is immaterial that the authority of a person to dispose of, or to exercise control over the disposal of, the equity interest mentioned in subsection (2) is, or is capable of being made, subject to restraint or restriction.

(4) It is immaterial, for the purposes of determining whether a person has an equity interest, that the interest cannot be related to a particular share, an interest or a right that gives its holder voting power, or a unit of a business trust, as the case may be.

(5) A person is deemed to have an equity interest if —

- (a) any property held in trust consists of or includes the equity interest; and

(b) the person knows, or has reasonable grounds for believing, that the person has an interest under that trust.

(6) A person is also deemed to have an equity interest if that person —

(a) has entered into a contract to purchase the equity interest;

(b) has a right, otherwise than by reason of having an interest under a trust, to have the equity interest transferred to (or to the order of) that person, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

(c) has the right to acquire the equity interest under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

(d) is entitled (otherwise than by reason of having been appointed a proxy or representative) to vote at —

(i) a general meeting of the designated entity; or

(ii) in the case of a designated entity that is a business trust — a general meeting of the unitholders of the business trust,

to exercise or control the exercise of a right attached to the equity interest, not being an equity interest in which that person has a legal or equitable interest.

(7) A person is not to be deemed as not having an equity interest by reason only that the person has the equity interest jointly with another person.

(8) An equity interest is not to be disregarded by reason only of —

(a) its remoteness;

(b) the manner in which it arose; or

- (c) the fact that the exercise of a right conferred by the equity interest is, or is capable of being made, subject to restraint or restriction.

**Meanings of “associate”, “related corporation”, “subsidiary” and “holding company”**

**21D.**—(1) In this Part, a person (*A*) is an associate of another person (*B*) if —

- (a) *A* is the spouse, or a parent, step-parent or remoter lineal ancestor, or a son, stepson, daughter, stepdaughter or remoter issue, or a brother or sister, of *B*;
- (b) *A* is a partner of *B* in a partnership or limited liability partnership;
- (c) *A* is a corporation of which *B* is an officer;
- (d) *B* is a corporation of which *A* is an officer;
- (e) *A* and *B* are officers of the same corporation;
- (f) *A* is an employee of *B*;
- (g) *B* is an employee of *A*;
- (h) *A* and *B* are employees of the same employer;
- (i) *A* is the trustee of a discretionary trust where *B* (or another person who is an associate of *B* by virtue of any paragraph, except this paragraph and paragraphs (*j*) and (*r*)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts;
- (j) *B* is the trustee of a discretionary trust where *A* (or another person who is an associate of *A* by virtue of any paragraph, except this paragraph and paragraphs (*i*) and (*r*)) benefits, or is capable (whether by exercise of a power of appointment or otherwise) of benefitting, under the trust, either directly or through interposed entities or trusts;

- (k) *A* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- (l) *B* is a corporation whose directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (m) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B* or, where *B* is a corporation, of the directors of *B*;
- (n) *B* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *A* or, where *A* is a corporation, of the directors of *A*;
- (o) *A* is a related corporation of *B*;
- (p) *A* is a corporation in which *B*, alone or together with other associates of *B* as described in paragraphs (b) to (o), is in a position to control at least 20% of the voting power in *A*;
- (q) *B* is a corporation in which *A*, alone or together with other associates of *A* as described in paragraphs (b) to (o), is in a position to control at least 20% of the voting power in *B*;
- (r) *A* is a person with whom *B* enters, or proposes to enter, into an agreement or arrangement (whether oral or in writing and whether express or implied) that relates to any of the following matters:
  - (i) *A* and *B* being in a position, by acting together, to control any of the voting power in a designated entity;

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- (ii) *A* and *B* acting together with respect to the acquisition, holding or disposal of equity interests or other interests in a designated entity;
  - (iii) the power of *A* and *B*, by acting together, to appoint or remove —
    - (A) a director of a designated entity; or
    - (B) in the case of a designated entity that is a business trust — a director of the trustee-manager of the designated entity;
  - (iv) the situation where one or more of the directors of —
    - (A) a designated entity; or
    - (B) in the case of a designated entity that is a business trust — the trustee-manager of the business trust,are accustomed or under an obligation (whether formal or informal) to act in accordance with the directions, instructions or wishes of *A* and *B* acting together;
  - (s) *A* controls more than half of the voting power of a holding company of *B*;
  - (t) *B* controls more than half of the voting power of a holding company of *A*; or
  - (u) *A* is related to *B* in such other manner as may be prescribed by regulations made under section 45.
- (2) A corporation (*A*) and another corporation (*B*) are deemed to be related to each other for the purposes of this section where *A* is —
- (a) the holding company of *B*;
  - (b) a subsidiary of *B*; or
  - (c) a subsidiary of the holding company of *B*.

(3) For the purposes of subsection (2), a corporation (*A*) is, subject to subsection (5), deemed to be a subsidiary of another corporation (*B*) if —

- (a) *B* controls the composition of the board of directors of *A*;
- (b) *B* controls more than half of the voting power of *A*; or
- (c) *A* is a subsidiary of any corporation which is *B*'s subsidiary.

(4) For the purposes of subsection (3), the composition of *A*'s board of directors is deemed to be controlled by *B* if *B*, by the exercise of a power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, *B* is deemed to have power to make such an appointment if —

- (a) a person cannot be appointed as a director without the exercise in the person's favour by *B* of such a power; or
- (b) a person's appointment as a director follows necessarily from that person being a director or other officer of *B*.

(5) In determining whether one corporation (*A*) is the subsidiary of another corporation (*B*) —

- (a) any shares held or power exercisable by *B* in a fiduciary capacity is treated as not held or exercisable by *B*;
- (b) subject to paragraphs (c) and (d), any shares held or power exercisable —
  - (i) by any person as a nominee for *B* (except where *B* is concerned only in a fiduciary capacity); or
  - (ii) by, or by a nominee for, a subsidiary of *B*, not being a subsidiary which is concerned only in a fiduciary capacity,

is to be treated as being held or exercisable by *B*;

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- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of *A*, or of a trust deed for securing any issue of such debentures, is to be disregarded; and
- (d) any shares held or power exercisable by, or by a nominee for, *B* or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) is to be treated as not held or exercisable by *B* if the ordinary business of *B* or its subsidiary (as the case may be) includes the lending of money and the shares are so held or power is so exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(6) A reference in this section to the holding company of a corporation is to a corporation of which the last mentioned corporation is a subsidiary.

(7) For the purposes of this section, the Depository is not to be regarded as a holding company of a corporation by reason only of the shares it holds in that corporation as a bare trustee.

(8) Regulations made under section 45 may provide that any person or class of persons are not associates of another person for the purposes of any provision of this Part.

(9) In this section —

“Depository” has the meaning given by section 81SF of the Securities and Futures Act 2001;

“officer”, in relation to a corporation, means a director or secretary of, or any person employed in an executive capacity by, the corporation.

### **Designation of designated operating entities and designated equity interest holders**

**21E.**—(1) The Authority may by notification in the *Gazette* —

- (a) designate an entity that provides any essential transport service in Singapore, or any business trust through which any essential transport service is

provided in Singapore, as a designated operating entity; or

- (b) designate an entity that holds any equity interest in a designated operating entity as a designated equity interest holder,

if the Authority considers that the designation is necessary in the public interest.

(2) The Authority must inform the Minister of the Authority's decision to designate an entity before publishing the notification under subsection (1) but the failure to do so does not invalidate the designation.

(3) The notification under subsection (1) —

- (a) must specify the date on which the designation takes effect; and
- (b) must be published in the *Gazette* at least 14 days before the date that the designation takes effect.

(4) The Authority may by notification in the *Gazette* cancel a designation at any time.

### *Division 2 — Control of designated entities*

#### **Notice to Authority by 5% controller of designated entity**

**21F.**—(1) If a person becomes a 5% controller of a designated entity on or after the effective designation date as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, that person must within 7 days after becoming the 5% controller give written notice to the Authority of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

(3) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that the accused —

- (a) was not aware of the contravention when it occurred; and



(b) notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention.

(4) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that, though the accused was aware of the contravention —

(a) the contravention occurred as a result of an increase in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;

(b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity; and

(c) the accused notified the Authority of the contravention within a period of 7 days after the contravention.

(5) Except as provided in subsections (3) and (4), it is not a defence in any proceedings for a contravention of subsection (1) to prove that the accused did not intend to or did not knowingly contravene subsection (1).

**Approvals of Authority in relation to equity interests and control of voting power in designated entities in certain cases**

**21G.**—(1) Except with the prior written approval of the Authority, a person must not —

(a) as a result of an increase in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, become a 25% controller, 50% controller or 75% controller of a

designated entity on or after the effective designation date; or

- (b) as a result of a decrease in the holding of equity interest, or in the voting power controlled, by that person or any associate of that person, cease to be a 25% controller, 50% controller or 75% controller of a designated entity on or after the effective designation date.

(2) Subsection (1) does not apply if the transaction through which a person becomes a 25% controller, 50% controller or 75% controller, or ceases to be a 25% controller, 50% controller or 75% controller, is entered into before the effective designation date.

(3) A person must not become an indirect controller of a designated entity on or after the effective designation date unless the person has obtained the prior written approval of the Authority.

(4) The Authority may approve an application under subsection (1)(a) or (3) if the Authority is satisfied that —

- (a) the person who is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated entity and every associate of that person known to the Authority, are fit and proper persons;
- (b) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:
  - (i) the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;
  - (ii) the trustee-manager of the designated operating entity of which the person is to become a 25% controller, 50% controller, 75% controller or indirect controller;

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- (iii) in the case where the person is to become a 25% controller, 50% controller, 75% controller or indirect controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;
  - (c) having regard to the influence of the person mentioned in paragraph (a) and every associate of that person known to the Authority, the following requirements are met:
    - (i) if the designated entity is a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;
    - (ii) if the designated entity is a designated equity interest holder —
      - (A) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and
      - (B) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and
  - (d) it is in the public interest to do so.

(5) The Authority may approve an application under subsection (1)(b) if the Authority is satisfied that —

- (a) the essential transport services provided by the following (whichever is applicable) will continue to be safe, reliable and efficient:
  - (i) the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;
  - (ii) the trustee-manager of the designated operating entity of which the person is a 25% controller, 50% controller or 75% controller;
  - (iii) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder — the designated operating entity, or the trustee-manager of the designated operating entity, in relation to which the designated equity interest holder is so designated;
- (b) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated operating entity — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act;
- (c) in the case where the person is a 25% controller, 50% controller or 75% controller of a designated equity interest holder —
  - (i) the designated operating entity in respect of which the designated equity interest holder is so designated or, if that designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(ii) the designated equity interest holder or, if the designated equity interest holder is a business trust, its trustee-manager, will continue to comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(6) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(7) Any condition imposed by the Authority under subsection (6) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in relation to which the application for approval under subsection (1) or (3) is made.

(8) Any person who contravenes subsection (1) or (3), or who fails to comply with any condition imposed under subsection (6), shall be guilty of an offence.

(9) In any proceedings for a contravention of subsection (1), it is a defence for the accused to prove that —

(a) the accused was not aware of the contravention when it occurred;

(b) the accused notified the Authority of the contravention within a period of 14 days after becoming aware of the contravention; and

(c) if the Authority issued any direction under section 21M relating to the contravention —

(i) the accused complied with the direction within the period determined by the Authority under that section; or

- (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(10) In any proceedings for a contravention of subsection (1), it is also a defence for the accused to prove that even though the accused was aware of the contravention —

- (a) the contravention occurred as a result of an increase or a decrease in the holding of equity interest, or in the voting power controlled, by any of the associates of the accused, in the designated entity;
- (b) the accused has no agreement or arrangement (whether oral or in writing and whether express or implied) with that associate with respect to the acquisition, holding or disposal of equity interests or other interests, or under which they act together in exercising their voting power, in relation to the designated entity;
- (c) the accused notified the Authority of the contravention within a period of 7 days after the contravention; and
- (d) if the Authority issued any direction under section 21M relating to the contravention —
  - (i) the accused complied with the direction within the period determined by the Authority under that section; or
  - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(11) In any proceedings for a contravention of subsection (3), it is a defence for the accused to prove that —

- (a) the accused was not aware of the contravention when it occurred;

- (b) the accused notified the Authority of the contravention within a period of 14 days after the contravention; and
- (c) if the Authority issued any direction under section 21M relating to the contravention —
  - (i) the accused complied with the direction within the period determined by the Authority under that section; or
  - (ii) the period determined by the Authority under that section for compliance with the direction has not expired.

(12) Except as provided in subsections (9), (10) and (11), it is not a defence in any proceedings for a contravention of subsection (1) or (3) to prove that the accused did not intend to or did not knowingly contravene subsection (1) or (3).

**Appointment and removal of chief executive officer, chairperson, director, etc., of designated entity**

**21H.**—(1) A licensee-designated operating entity must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer, the chairperson of its board of directors or any of its directors, unless the licensee-designated operating entity has obtained the prior written approval of the Authority.

(2) Each of following persons must not, on or after the effective designation date, appoint or remove an individual as its chief executive officer, or the chairperson of its board of directors unless the person has obtained the prior written approval of the Authority:

- (a) a non-licensure-designated operating entity or, in the case of a non-licensure-designated operating entity that is a business trust, its trustee-manager;
- (b) a designated equity interest holder or, in the case of a designated equity interest holder that is a business trust, its trustee-manager.

(3) A person must not, on or after the effective designation date, be appointed as a manager of, or become a partner in, a limited liability partnership that is a designated entity unless the designated entity has obtained the prior written approval of the Authority.

(4) A person must not, or after the effective designation date, become a partner in a partnership that is a designated entity unless the person has obtained the prior written approval of the Authority.

(5) The Authority may —

- (a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and
- (b) at any time add to, vary or revoke any condition so imposed.

(6) Any person who contravenes subsection (1), (2), (3) or (4), or who fails to comply with any condition imposed under subsection (5), shall be guilty of an offence.

(7) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or the trustee-manager of the designated entity in relation to which the application for approval under subsection (1), (2), (3) or (4) is made.

(8) In this section —

- (a) a reference to a “licensee-designated operating entity” is to a designated operating entity that is also a licensee; and
- (b) a reference to a “non-licensee-designated operating entity” is to a designated operating entity that is not a licensee-designated operating entity.



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**Acquisition of business of designated operating entity as going concern**

**211.**—(1) A person must not, on or after the effective designation date, acquire as a going concern, the designated operating entity’s business of providing any essential transport service (or any part of such business) unless —

- (a) the person; and
- (b) the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager,

have obtained the prior written approval of the Authority.

(2) An application for the Authority’s approval under subsection (1) must be —

- (a) made jointly by the persons mentioned in subsection (1)(a) and (b); and
- (b) made in such form and manner as the Authority may specify.

(3) The Authority may approve an application under subsection (1) if the Authority is satisfied that —

- (a) the person acquiring the business or part is a fit and proper person;
- (b) after the acquisition, the essential transport service mentioned in subsection (1) will continue to be safe, reliable and efficient;
- (c) in the case where after the acquisition, the designated operating entity continues to carry on part of the business mentioned in subsection (1) — the designated operating entity or, if the designated operating entity is a business trust, its trustee-manager, will continue to conduct the business of the designated operating entity prudently and comply with the provisions of this Act; and

(d) it is in the public interest to do so.

(4) The Authority may —

(a) grant an approval under this section subject to any conditions that the Authority considers appropriate to impose; and

(b) at any time add to, vary or revoke any condition so imposed.

(5) This section has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, deed or other constitution, of the designated operating entity.

(6) Any person who contravenes subsection (1), or who fails to comply with any condition imposed under subsection (4), shall be guilty of an offence.

### **Occurrence of certain events**

**21J.**—(1) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of any of the following agreements at least 14 days before entering into the agreement:

(a) in the case of a designated entity that is a designated operating entity — an agreement for the outsourcing of a material function performed by the designated operating entity in the provision of any essential transport service;

(b) any agreement prescribed under section 45.

(2) Subsection (1) does not apply in relation to any agreement entered into by a designated entity before the expiry of 14 days after the effective designation date.

(3) A designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, must notify the Authority of the occurrence of any of the following events within 7 days after becoming aware of the occurrence:

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- (a) in the case of a designated entity that is a designated operating entity —
- (i) any civil or criminal proceedings (whether in Singapore or elsewhere) instituted against the designated entity or, if the designated entity is a business trust, its trustee-manager, that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service; or
  - (ii) any other event or any irregularity that materially impedes or impairs the operations of the designated entity carried out in the course of providing any essential transport service;
- (b) the designated entity or, if the designated entity is a business trust, its trustee-manager, being or becoming, or being likely to become, insolvent;
- (c) the designated entity or, if the designated entity is a business trust, its trustee-manager —
- (i) being wound up or subject to any receivership or judicial management order; or
  - (ii) entering into a compromise or scheme of arrangement;
- (d) in the case of a designated entity that is a business trust — the business trust being wound up or deregistered or the making of an application for the deregistration of the business trust;
- (e) any other event prescribed under section 45.

(4) Subsection (3) does not apply where the designated entity or trustee-manager (as the case may be) becomes aware of the occurrence of the event before the effective designation date.

(5) The Authority may, upon receiving a notification under subsection (1) or (3) in relation to an agreement or the occurrence of an event, direct the designated entity or trustee-manager in question to submit to the Authority any

information or document relating to the agreement or event within the period specified by the Authority.

(6) Any person who —

- (a) contravenes subsection (1) or (3);
- (b) fails to comply with a direction of the Authority under subsection (5); or
- (c) submits any false or misleading information or document in compliance or purported compliance with a direction of the Authority under subsection (5),

shall be guilty of an offence.

**Duty of designated entity or trustee-manager to report changes of equity and control of certain persons**

**21K.**—(1) If a designated entity or, in the case of a designated entity that is a business trust, its trustee-manager, becomes aware that —

- (a) a person has, on or after the effective designation date, become a 5% controller, 25% controller, 50% controller or 75% controller of the designated entity;
  - (b) a 25% controller, 50% controller or 75% controller of the designated entity has, on or after the effective designation date, ceased to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
  - (c) a person has, on or after the effective designation date, become an indirect controller of the designated entity;
- or

- (d) in a case where the designated entity is a designated operating entity — a person has, on or after the effective designation date, acquired, as a going concern, the designated operating entity's business of providing any essential transport service (or any part of such business),

the designated entity or trustee-manager (as the case may be) must inform the Authority in writing within 7 days after becoming aware of that fact.

(2) Any person who contravenes subsection (1) shall be guilty of an offence.

### **Restrictions on voluntary winding up, etc., of designated operating entities**

**21L.—**(1) Despite any other written law —

- (a) a designated operating entity that is a corporation or limited liability partnership cannot be wound up voluntarily without the consent of the Authority;
- (b) a designated operating entity that is a partnership cannot be dissolved —
- (i) by a partner giving notice to the other partner or partners (as the case may be) of the partner's intention to dissolve the partnership; or
  - (ii) by the partners agreeing to dissolve the partnership,
- without the consent of the Authority;
- (c) a designated operating entity that is a business trust cannot be wound up voluntarily without the consent of the Authority;
- (d) a person must not make any application under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation, unless that

person has served 14 days' notice in writing of that person's intention to make that application on the Authority;

- (e) no judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 may be made in relation to a designated operating entity that is a corporation without the consent of the Authority;
- (f) no interim judicial manager or judicial manager may be appointed under section 94 of the Insolvency, Restructuring and Dissolution Act 2018 in respect of a designated operating entity that is a corporation without the consent of the Authority;
- (g) a person must not take any step to enforce any security over —
  - (i) the property of a designated operating entity; or
  - (ii) in the case of a designated operating entity that is a business trust — the trust property of the trust,

unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority; and

- (h) a person must not take any step to execute or enforce any judgment or order of court obtained against a designated operating entity unless that person has served 14 days' notice in writing of that person's intention to take that step on the Authority.
- (2) The Authority must be a party to —
- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;

- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to a designated operating entity that is a corporation;
- (c) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of a designated operating entity that is a company or an unregistered company;
- (d) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of a designated operating entity that is a limited liability partnership; and
- (e) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of any designated operating entity that is an entity not mentioned in paragraph (c) or (d).

(3) A court must, when deciding any proceedings mentioned in subsection (2), take into consideration any representations made by the Minister in those proceedings.

*Division 3 — Remedial directions*

**Remedial directions relating to section 21G**

**21M.**—(1) Subsection (2), (3) or (4) applies if —

- (a) the Authority is satisfied that a person (called in this section a defaulter) —
  - (i) has contravened section 21G(1) or (3) or failed to comply with a condition imposed on that person under section 21G(7); or
  - (ii) has provided false or misleading information or documents in connection with an application for approval under section 21G(1) or (3); or
- (b) the Authority would not have granted its approval under section 21G(1) or (3) had it been aware, at the

time of approval, of circumstances relevant to a defaulter's application for such approval.

(2) Where the defaulter is a 25% controller, 50% controller or 75% controller of the designated entity, the Authority may do any one or more of the following:

- (a) direct the defaulter to take such steps as are necessary, within the period specified by the Authority, to cease to be a 25% controller, 50% controller or 75% controller (as the case may be) of the designated entity;
- (b) direct the transfer or disposal of all or any of the equity interests in the designated entity held by the defaulter or any of the defaulter's associates (called in this section and section 21N the section 21M(2) equity interests), within such time and subject to such conditions as the Authority considers appropriate;
- (c) restrict or prohibit the transfer or disposal of all or any of the section 21M(2) equity interests, subject to any conditions that the Authority considers appropriate;
- (d) make any other direction that the Authority considers appropriate.

(3) Where, as a result of a person (called in this subsection the transferee) acquiring any equity interests from the defaulter who is a 25% controller, 50% controller or 75% controller of the designated entity (called in this section and section 21N the section 21M(3) equity interests), the defaulter ceases to be a 25% controller, 50% controller or 75% controller (as the case may be), the Authority may do one or more of the following:

- (a) direct the transferee to take such steps as are necessary, within the period specified by the Authority, to cease to hold all or any of the section 21M(3) equity interests;
- (b) direct the defaulter to take such steps as are necessary within the period specified by the Authority, to resume being a 25% controller, 50% controller or



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75% controller (as the case may be) of the designated entity, as the case may be;

- (c) direct the acquisition, transfer or disposal of all or any of the section 21M(3) equity interests within such time and subject to such conditions as the Authority considers appropriate;
- (d) restrict or prohibit the transfer or disposal of all or any of the section 21M(3) equity interests, subject to any conditions that the Authority considers appropriate;
- (e) make any other direction that the Authority considers appropriate.

(4) Where the defaulter is an indirect controller of the designated entity, the Authority may do one or both of the following:

- (a) direct the defaulter, or direct the designated entity or, if the designated entity is a business trust, its trustee-manager, to take such steps as are necessary, within the period specified by the Authority, to cease to be such an indirect controller or to cause the defaulter to cease to be such an indirect controller;
- (b) make any other direction that the Authority considers appropriate.

**Effect of remedial directions issued under section 21M, etc.**

**21N.**—(1) Any direction issued to a person, and any condition imposed, under section 21M(2) or (3) take effect, despite —

- (a) any other written law;
- (b) anything in any listing rules as defined in section 2(1) of the Securities and Futures Act 2001; and
- (c) the provisions of the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution of the designated entity in question.

(2) Without affecting subsection (1), where any direction is issued under section 21M(2) or (3), then, until the direction is carried out or is suspended or revoked —

- (a) the voting rights in respect of the section 21M(2) equity interests or section 21M(3) equity interests that are subject to the direction are not exercisable, unless the Authority expressly permits those rights to be exercised;
- (b) the voting power that the person to whom the direction is issued controls, whether alone or together with that person's associates, in the designated entity is not exercisable, unless the Authority expressly permits that power to be exercised;
- (c) no equity interest in the designated entity is to be issued or offered (whether by way of dividends or otherwise) in respect of the section 21M(2) equity interests or section 21M(3) equity interests that are subject to the direction, unless the Authority expressly permits that issue or offer; and
- (d) no amount may be paid (whether by way of profits, income or otherwise) in respect of the section 21M(2) equity interests or section 21M(3) equity interests that are subject to the direction, unless the Authority expressly authorises such payment.

(3) Subsection (2)(d) does not apply in the event of the winding up, dissolution, termination or deregistration of the designated entity.

### **Remedial directions relating to section 21H**

**21O.**—(1) Subsection (2) applies where —

- (a) an individual has been appointed or removed in contravention of section 21H(1) or (2), or a person has been appointed a manager of or becomes a partner in a

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designated entity in contravention of section 21H(3) or (4);

- (b) any condition of approval imposed under section 21H(5) has not been complied with;
- (c) any of the following persons has provided false or misleading information or documents to the Authority in connection with an application for approval under section 21H(1), (2), (3) or (4):
  - (i) a designated entity;
  - (ii) the trustee-manager of a designated entity;
  - (iii) the person mentioned in section 21H(4); or
- (d) the Authority would not have granted its approval under section 21H(1), (2), (3) or (4) had it been aware, at the time of approval, of circumstances relevant to a person's application for such approval.

(2) The Authority may issue a direction to the designated entity or trustee-manager in question (as the case may be) to do as follows (whichever is applicable):

- (a) remove the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (b) reinstate the individual as the chief executive officer, the chairperson of the board of directors or a director of the designated entity or trustee-manager, as the case may be;
- (c) remove the person as a manager of or partner in the designated entity.

(3) A direction issued under this section (including a direction varied under section 21Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated entity or trustee-manager in question.

(4) Nothing in subsection (2) is to be taken as depriving a person who is removed under that subsection of compensation or damages payable to that person in respect of the termination of his or her appointment as the chief executive officer, the chairperson of the board of directors or a director, or the person's removal as a manager or partner.

### **Remedial directions relating to section 21I**

**21P.**—(1) Subsection (2) applies where —

- (a) a person has contravened section 21I(1); or
- (b) where the Authority has granted its approval under section 21I(1) —
  - (i) any condition of approval imposed under section 21I(4) has not been complied with;
  - (ii) either of the joint applicants mentioned in section 21I(1)(a) or (b) has provided false or misleading information or documents to the Authority in connection with the person's application for approval under section 21I(1); or
  - (iii) the Authority would not have granted its approval under section 21I(1) had it been aware, at the time of approval, of circumstances relevant to the application for such approval.

(2) The Authority may —

- (a) direct the person who has acquired as a going concern the business or part of the business mentioned in section 21I(1) to transfer or dispose of all or any part of the business within such time and subject to such conditions as the Authority considers appropriate;
- (b) prohibit or restrict the transfer or disposal of all or any part of the business; or
- (c) issue any other direction that the Authority considers appropriate.

(3) A direction issued under this section (including a direction varied under section 21Q(2)) has effect despite the provisions of any other written law or anything contained in the memorandum or articles of association, limited liability partnership agreement, partnership contract, trust deed or other constitution, of the designated operating entity in question.

### **Other provisions relating to remedial directions**

**21Q.**—(1) Before issuing any direction to a person under section 21M, 21O or 21P, the Authority must —

- (a) unless the Authority decides that it is not practicable or desirable to do so, give the person written notice of the Authority’s intention to issue the direction and specify a date by which the person may make written representations with regard to the direction; and
- (b) consider every written representation from the person received on or before the specified date mentioned in paragraph (a).

(2) The Authority may, at any time, revoke, vary or discharge, or suspend the operation of, any direction given by it under section 21M, 21O or 21P.

(3) Any person who fails to comply with a direction issued by the Authority under section 21M, 21O or 21P (including a direction that is varied under subsection (2)) within the period specified by the Authority shall be guilty of an offence.

### *Division 4 — Penalties*

#### **Penalties under this Part**

**21R.** A person guilty of an offence under this Part shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part of a day during which the offence continues after conviction.”.

**Replacement of Part 4A**

53. In the RTS Act, replace Part 4A with —

“PART 4A

SPECIAL ADMINISTRATION ORDERS AND  
SCHEMES OF TRANSFERS, ETC., FOR  
LICENSEES AND DESIGNATED  
OPERATING ENTITIES

**Interpretation of this Part**

27A.—(1) In this Part —

“designated operating entity” excludes an entity that is also a licensee;

“limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act 2005;

“relevant entity” means a licensee or a designated operating entity;

“unitholder” has the meaning given by section 2 of the Business Trusts Act 2004;

“unregistered company” has the meaning given by section 245(1) of the Insolvency, Restructuring and Dissolution Act 2018.

(2) In this Part —

(a) a reference to the affairs, business, undertaking, operations or activities of a relevant entity that is a business trust is to the affairs, business, undertaking, operations or activities (as the case may be) carried on by the trustee-manager of the business trust on behalf of the business trust; and

(b) a reference to the obligations of a relevant entity that is a business trust is to the obligations undertaken by the trustee-manager of the business trust on behalf of the business trust.

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**Meaning and purposes of special administration order**

**27B.**—(1) A special administration order is an order of the Minister made in relation to a relevant entity in accordance with section 27C, directing that during the period the order is in force, the affairs, business and property of that entity are to be managed by a person appointed by the Minister which may be the Authority (called in this Part an appointed person) —

- (a) for securing one or more of the purposes specified in subsection (2); and
- (b) in a manner that protects the interests of the shareholders, unitholders or beneficiaries (as the case may be), and the customers and creditors, of the entity.

(2) For the purposes of subsection (1)(a), the purposes are as follows:

- (a) in the case of a relevant entity that is a licensee — the safety, security and continuity of the provision of railway passenger services and facilities relating to the rapid transit system specified in its licence;
- (b) in the case of a relevant entity that is a designated operating entity — the security and reliability of the business, undertaking or activities of the relevant entity in Singapore relating to the provision of any essential transport service;
- (c) the survival of the relevant entity or the whole or any part of the business or undertaking of the relevant entity, as a going concern;
- (d) the transfer to another person, or (as respects different parts of its business or undertaking) to 2 or more different persons, as a going concern, of so much of the business or undertaking of the relevant entity as is necessary to ensure that the following may be properly carried out:

- (i) in the case of a relevant entity that is a licensee — the obligations of the entity in relation to its business, undertaking or activities of providing railway passenger services and facilities relating to the rapid transit system specified in its licence;
  - (ii) in the case of a relevant entity that is a designated operating entity — the obligations of the entity in relation to its business, undertaking or activities of providing any essential transport service; and
- (e) the carrying out of the obligations of the relevant entity mentioned in paragraph (d)(i) or (ii) (whichever is applicable) pending the transfer, as a going concern, of the entity's business or undertaking mentioned in paragraph (d)(i) or (ii) (as the case may be) to any other person or persons.

### **Power to make special administration order and other orders**

**27C.**—(1) If, on an application made to the Minister by the Authority, the Minister is satisfied that any one or more of the grounds specified in subsection (2) are satisfied in relation to a relevant entity, the Minister may make any one or more of the following orders:

- (a) a special administration order in relation to the relevant entity;
- (b) an order requiring —
  - (i) the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

to immediately take any action or to do or not do any act or thing where the Minister considers that the



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action or the doing or not doing of the act or thing is necessary for —

- (iii) in the case of a relevant entity that is a licensee — the business, undertaking or activities of the entity of providing railway passenger services and facilities relating to the rapid transit system specified in its licence; or
  - (iv) in the case of a relevant entity that is a designated operating entity — the business, undertaking or activities of the entity of providing any essential transport service by the entity;
- (c) an order appointing a person (called in this Part an advisor) to advise —
- (i) the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the trustee-manager of the business trust,

in the proper conduct of the business, undertaking or activities of the relevant entity mentioned in paragraph (b)(iii) or (iv), whichever is applicable.

(2) For the purposes of subsection (1), the grounds are the following:

- (a) in the case of a relevant entity that is a licensee —
  - (i) there has been, is or is likely to be a contravention by the licensee of the conditions of its licence or this Act that is serious enough to make it inappropriate for the licensee to continue to hold its licence to operate the rapid transit system specified in its licence; or
  - (ii) the Minister considers it to be in the interest of the safety, security and continuity of the provision of railway passenger services

relating to the rapid transit system that the entity is licensed to operate;

- (b) the relevant entity is or is likely to be unable to pay its debts;
- (c) the Minister considers it to be in the interest of the security and reliability of the carrying on of the business, undertaking or activities of the relevant entity;
- (d) the Minister considers it to be in the public interest.

(3) No special administration order may be made under this Part in relation to a relevant entity that is a designated operating entity before its effective designation date.

(4) Notice of any order under subsection (1) must be given immediately by the Minister to such persons and in such manner as may be determined by the Minister.

(5) The Minister may make a special administration order in relation to a relevant entity despite the commencement of (as applicable) —

- (a) any proceedings relating to the making of an order under section 210 of the Companies Act 1967 or section 71 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;
- (b) any proceedings relating to the making of a judicial management order under Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 in relation to the relevant entity, being a corporation;
- (c) any meeting convened under section 94(7) of the Insolvency, Restructuring and Dissolution Act 2018 in respect of the relevant entity, being a corporation;
- (d) any proceedings under the Insolvency, Restructuring and Dissolution Act 2018 relating to the winding up of the affairs of the relevant entity, being a company or an unregistered company;

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- (e) any proceedings under the Limited Liability Partnerships Act 2005 relating to the winding up of the affairs of the relevant entity, being a limited liability partnership; or
- (f) any proceedings before any court for the dissolution, winding up or termination (as the case may be) of the relevant entity, being an entity not mentioned in paragraph (d) or (e).
- (6) For the purposes of this section, a relevant entity is unable to pay its debts if —
- (a) a creditor (by assignment or otherwise) to whom the entity is indebted in a sum exceeding the sum mentioned in section 125(2)(a) of the Insolvency, Restructuring and Dissolution Act 2018 then due has served on the entity, by leaving at the registered office of the entity, a written demand by the creditor or the creditor’s lawfully authorised agent requiring the entity to pay the sum so due, and the entity has for 3 weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
- (b) an enforcement order or other process issued to enforce a judgment, decree or order of any court in favour of a creditor of the entity is returned unsatisfied in whole or in part; or
- (c) it is proved to the satisfaction of the General Division of the High Court that the entity is unable to pay its debts.

**Ancillary directions, etc., when special administration order, etc., is made**

**27D.**—(1) A special administration order under this Part may specify that —

- (a) the appointed person has such functions and powers in relation to the operations of the relevant entity as are specified in the order;
  - (b) the relevant entity or, if the relevant entity is a business trust, its trustee-manager, is to stop providing a specified service or facility from a specified date; and
  - (c) the appointed person must have access to, and take control of, the property (including intellectual property), licences and employees used or required by the relevant entity or, if the relevant entity is a business trust, its trustee-manager, for the purposes of carrying on the operations of the relevant entity as are specified in the order.
- (2) A special administration order under this Part may also contain ancillary directions that may —
- (a) direct how the costs of the operations specified in the order and revenue generated from those operations, are to be dealt with;
  - (b) fix the remuneration and expenses to be paid by the relevant entity or trustee-manager to the appointed person;
  - (c) specify the period for which the order under this section applies; and
  - (d) specify any other conditions that may apply.
- (3) An order under section 27C(1)(c) may also contain an ancillary direction that fixes the remuneration and expenses to be paid by the designated operating entity or trustee-manager to the advisor.

### **Effect of special administration order and other orders**

**27E.**—(1) Any decision of the Minister under section 27C(1) is final.

(2) A special administration order operates to the exclusion of rights that are inconsistent with the order.

(3) Nothing in Part 3 or 3A applies to prohibit or invalidate any special administration order or other order made under this Part or any transaction entered into to give effect to such an order.

**Duties of relevant entity or trustee-manager, etc.**

**27F.**—(1) The relevant entity that is the subject of a special administration order under this Part or, in the case of such a relevant entity that is a business trust, its trustee-manager —

- (a) must facilitate the handover of the operations to the appointed person as specified in the order;
- (b) must not obstruct the appointed person’s access to property or the exercise by the appointed person of the appointed person’s responsibilities under or pursuant to the special administration order; and
- (c) must comply with reasonable directions given by the appointed person in the exercise of the appointed person’s responsibilities under or pursuant to the special administration order.

(2) The relevant entity or trustee-manager which fails to comply with subsection (1) or an order under section 27C(1)(b) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.

**Scheme for transfer of property, rights and liabilities from existing licensee to new licensee**

**27G.** Without limiting sections 27B, 27C and 27D, where a special administration order is made in relation to a relevant entity that is a licensee (called the existing licensee) and it is proposed that, on or after a date appointed in the order, another entity (which may or may not be the appointed person) that is a company (called the new licensee) should operate the rapid

transit system that the existing licensee is authorised to operate, in place of the existing licensee —

- (a) the existing licensee, acting with the consent of the new licensee and of any other licensees (in respect of matters affecting them), may make a scheme, in accordance with any prescribed requirements, for the transfer of property, rights and liabilities from the existing licensee to the new licensee;
- (b) any such scheme does not take effect unless it is approved by the Authority;
- (c) the Authority may, with the consent of the new licensee, of the existing licensee and, in respect of matters affecting them, of any other licensees, modify any such scheme before approving it;
- (d) it is the duty of the new licensee, the existing licensee and any other licensees to provide the Authority with all such information and other assistance as the Authority may reasonably require for the purposes of, or in connection with, the exercise of any power conferred under this section;
- (e) the property, rights and liabilities of the existing licensee that are capable of being transferred in accordance with any such scheme include —
  - (i) property, rights and liabilities that would not otherwise be capable of being transferred or assigned by the existing licensee;
  - (ii) such property, rights and liabilities to which the existing licensee may become entitled or subject after the making of the scheme and before the day the special administration order is discharged;
  - (iii) property situated anywhere in Singapore or elsewhere; and

- (iv) rights and liabilities under the law of Singapore or of any country or territory outside Singapore;
- (f) any such scheme for the transfer of the existing licensee's property, rights and liabilities may, where appropriate —
  - (i) create for the existing licensee, the new licensee or any other licensees an interest in or right over any property to which the scheme relates;
  - (ii) create new rights and liabilities as between any 2 or more of those licensees; and
  - (iii) provide for a licence held by an existing licensee to have effect as if it had been granted to the new licensee; and
- (g) any such scheme for the transfer of the existing licensee's property, rights and liabilities has, upon its coming into force, effect in accordance with its provisions and without further assurance, so as to transfer the property, rights and liabilities to which the scheme relates to the new licensee.

**Transfer of property, etc., under special administration order**

**27H.**—(1) Without limiting sections 27B, 27C and 27D, a special administration order in relation to a relevant entity that is not a licensee may provide for the following matters:

- (a) the transfer to one or more prescribed transferees (which may or may not be the appointed person) of the following (whichever is applicable):
  - (i) the property, rights and liabilities of the relevant entity; or
  - (ii) in the case of a relevant entity that is a business trust — the property of the business trust, and the rights held and the liabilities incurred by the trustee-manager of the business trust in its

capacity as trustee-manager of the business trust;

- (b) matters that are consequential or related to any such transfer.

(2) If the Minister makes a special administration order providing for any matter mentioned in subsection (1), the Minister must, by notification in the *Gazette*, establish a scheme within the following period for determining the amount of any compensation payable by the prescribed transferee to the relevant entity or the trustee-manager or unitholders of the business trust (as the case may be) for the transfer of the property, rights and liabilities:

- (a) 6 months after the date of the making of the special administration order;
- (b) any longer period after the date of the making of the special administration order, as agreed between the prescribed transferee and the relevant entity or trustee-manager.

(3) A scheme established under subsection (2) may provide for —

- (a) the manner in which any compensation or consideration is to be assessed, including methods of calculation, valuation dates and matters to be taken into account or disregarded when making valuations;
- (b) the assessment to be made by an independent valuer appointed by the Minister; and
- (c) the remuneration and expenses of the independent valuer.

(4) In this section, “prescribed transferee” means the Authority or a person nominated by the Minister.

### **Regulations for this Part**

**27I.** The Minister may make regulations under section 45 for giving effect to this Part, including —



- (a) regulations for prescribing any requirements of any scheme for a transfer for the purposes of section 27G;
- (b) regulations providing any supplemental, consequential and transitional provisions for the purposes of, or in connection with, a scheme for a transfer mentioned in section 27G;
- (c) regulations governing the transfer of property, rights and liabilities of or in relation to a relevant entity mentioned in section 27H(1)(a) and matters consequential or related to such transfer; and
- (d) if a special administration order is made, regulations for applying, omitting or modifying the provisions of Parts 7 and 9 of the Insolvency, Restructuring and Dissolution Act 2018.”.

### **New Part 5**

**54.** In the RTS Act, before Part 6, insert —

“PART 5  
APPEALS

#### **Appeal to Minister**

**28.—**(1) Any licensee aggrieved by any of the following matters may appeal to the Minister:

- (a) any condition imposed by the Authority under section 15(1)(f) or (g) or (2);
- (b) any addition, deletion or modification of the terms or conditions of its licence under section 16;
- (c) any code of practice as issued, approved or modified by the Authority under section 17;
- (d) any direction given by the Authority under section 18 or 18A;
- (e) any decision made by the Authority under section 19(1)(i), (j) or (k);
- (f) any confirmed provisional order under section 19A;

(g) the refusal of the Authority to renew its licence.

(2) Any person who is aggrieved by any of the following decisions of the Authority may appeal to the Minister against the decision:

- (a) any decision to designate an entity under section 21E;
- (b) any refusal to grant an approval required under section 21G, 21H or 21I;
- (c) any decision to impose, add to or vary any condition under section 21G, 21H or 21I;
- (d) any decision to issue a direction under section 21M, 21O or 21P or to vary a direction under section 21Q(2).

(3) An appeal under this section must be in writing and specify the grounds on which it is made, and be made within the prescribed period after the date of receipt of the notice relating to the matter or decision to which the appeal relates.

(4) The Minister may reject an appeal of an appellant who fails to comply with subsection (3).

(5) After consideration of an appeal, the Minister may —

- (a) reject the appeal and confirm the Authority's decision; or
- (b) allow the appeal and substitute or vary the Authority's decision including, in the case of an appeal by a licensee under subsection (1), by amending any licence condition, code of practice or direction affecting the licensee.

(6) The Minister's decision on an appeal is final.

(7) Every appellant must be notified of the Minister's decision under subsection (5).

### **Effect of pending appeal to Minister**

**29.**—(1) Except as provided in subsection (2) or section 16(5) or unless the Minister otherwise directs —

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- (a) an appeal under section 28 against the Authority's decision does not affect the operation of any licence term or condition, code of practice, direction, decision or confirmed provisional order being appealed against or prevent the taking of action to implement the licence term or condition, code of practice, direction, decision or confirmed provisional order; and
  - (b) the licence term or condition, code of practice, direction, decision or confirmed provisional order appealed against must be complied with by the appellant until the determination of the appeal.

(2) If any appeal under section 28(1) is made in relation to a notice under section 19(1)(k) requiring the payment of a financial penalty and the financial penalty would have been payable before the time when the appeal is determined, it need not be paid until that time.

### **Designation of others to hear appeals**

**30.** The Minister may designate any Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary for his or her Ministry, to hear and determine, in the Minister's place, any appeals or a specific appeal under section 28; and any reference in that section to the Minister includes a reference to the Minister of State, Senior Minister of State, Parliamentary Secretary or Senior Parliamentary Secretary so designated for that appeal.”.

### **New section 36A**

**55.** In the RTS Act, after section 36, insert —

#### **“Advisory guidelines**

**36A.—**(1) The Authority may make guidelines with a view to providing guidance or certainty in respect of any one or more of the provisions in this Act.

- (2) Advisory guidelines, for example, may be made about —
- (a) what amounts to a material function of a designated operating entity for the purposes of section 21J(1)(a); or
  - (b) the relevant principles to consider in determining what amounts to a material impediment to or impairment of the operations of a designated operating entity for the purposes of section 21J(3)(a).
- (3) The Authority may make different advisory guidelines under subsection (1) in respect of different persons or entities or different classes of persons or entities.
- (4) The Authority must —
- (a) give a copy of each advisory guideline it makes to the Minister; and
  - (b) publish each advisory guideline (in any way that the Authority thinks fit), send each advisory guideline to each person or entity to whom the guideline applies (by any mode the Authority thinks fit), or both.
- (5) Despite subsection (4)(b), the Authority must publish each advisory guideline (in any way that the Authority thinks fit) if the advisory guideline has any effect on the rights of any person or entity other than the person or entity to which the advisory guideline applies.
- (6) The failure to comply with subsection (4) or (5) in respect of any advisory guidelines does not invalidate the advisory guidelines.”.

### **Replacement of section 43**

**56.** In the RTS Act, replace section 43 with —

**“Offences by bodies corporate, etc.**

**43.—**(1) Where an offence under this Act committed by a body corporate is proved —

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(a) to have been committed with the consent or connivance of an officer of the body corporate; or

(b) to be attributable to any neglect on the officer's part, the officer as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(2) Where the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with the member's functions of management as if the member were a director of the body corporate.

(3) Where an offence under this Act committed by a partnership is proved —

(a) to have been committed with the consent or connivance of a partner; or

(b) to be attributable to any neglect on the partner's part, the partner as well as the partnership shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(4) Where an offence under this Act committed by an unincorporated association (other than a partnership) is proved —

(a) to have been committed with the consent or connivance of an officer of the unincorporated association or a member of its governing body; or

(b) to be attributable to any neglect on the part of such an officer or a member,

the officer or member as well as the unincorporated association shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(5) In this section —

“body corporate” includes a limited liability partnership;

“officer” —

- (a) in relation to a body corporate — means any director, partner, member of the committee of management, chief executive, manager, secretary or other similar officer of the body corporate and includes any person purporting to act in any such capacity; or
- (b) in relation to an unincorporated association (other than a partnership) — means the president, the secretary, or any member of the committee of the unincorporated association, or any person holding a position analogous to that of president, secretary or member of such a committee and includes any person purporting to act in any such capacity;

“partner” includes a person purporting to act as a partner.

(6) The Minister may make regulations to provide for the application of any provision of this section, with any modifications that the Minister considers appropriate, to any body corporate or unincorporated association formed or recognised under the law of a territory outside Singapore.”.

#### **New section 44A**

57. In the RTS Act, after section 44, insert —

##### **“Power to amend Schedule**

44A. The Minister may, by order in the *Gazette*, amend the Schedule.”.

#### **Amendment of section 45**

58. In the RTS Act, in section 45(2), delete paragraph (*da*).

#### **Amendment of section 45A**

59. In the RTS Act, in section 45A, after “all or any of the provisions”, insert “(or any part of any provision)”.

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**New Schedule**

**60.** In the RTS Act, after section 46, insert —

“THE SCHEDULE

Sections 2 and 44A

SERVICES FOR PURPOSES OF  
PARAGRAPH (b) OF DEFINITION OF  
“ESSENTIAL TRANSPORT SERVICE”

1. Monitoring and management of any rapid transit system.”.

PART 5

SAVING AND TRANSITIONAL PROVISION

**Saving and transitional provision**

**61.** For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.